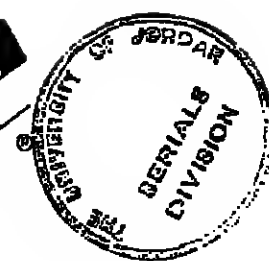


Herald INTERNATIONAL Tribune



The World's Daily Newspaper

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EU Coolness Puts U.S. on Defensive in Trade Dispute

Bruised Feelings Evident As Japanese Envoy and American Aide Quarrel

By Tom Buertke
International Herald Tribune

BRUSSELS — The United States found itself on the defensive Monday in its dispute over auto trade with Japan as the U.S. trade representative, Mickey Kantor, failed to enlist European support for Washington's hard-line stance. Instead he became embroiled in an extraordinary and vitriolic public argument with Japan's ambassador here.

The ambassador, Tomohiko Kobayashi, also gave the strongest warning yet that Japan would not cave in to U.S. pressure. He said Tokyo would "consider very seriously" imposing retaliatory sanctions on American products if Washington goes ahead with its threat to levy 100 percent tariffs on Japanese luxury cars next month.

"We can't do nothing when our industry is hurt unduly," Mr. Kobayashi said. Minutes earlier, Mr. Kobayashi took over a news conference given by Mr. Kantor to claim that Japan's automobile market was as open as Europe's or America's. He cited estimates that European makers would win up to 6 percent of the Japanese market this year, more than in the United States.

Mr. Kantor shot back angrily, saying Europe had only 3 percent of Japan's market because of regulatory barriers that he wants to tear down.

"You're wrong about that, with all due respect," he told the ambassador. "You've got to get your numbers correct."

The highly unusual exchange illustrated the depths of mutual incomprehension and animosity that have developed between U.S. and Japanese officials during 20 months of fruitless trade talks. The talks are scheduled to resume next week in Washington's June 28 deadline for imposing sanctions.

Japan, which plans to appeal the U.S. decision to the World Trade Organization, hopes to have a first round of WTO-sponsored consultations with the United States before the end of the month, a Japanese government spokesman in Paris told Agence France-Press. The official said Japan would encourage a third party to take part, adding that "in general, when Japan-U.S. trade issues arise, the European Union does not remain silent."

Commerce Secretary Ronald H. Brown said Monday in Geneva that the United States would abide by any decision by the World Trade Organization.

EU officials said Mr. Brown's gesture was welcome but had little practical effect because any WTO ruling would come months after sanctions went into effect.

Stuart Eizenstat, the U.S. ambassador to the European Union, said no meetings were scheduled with Japan's trade minister, Ryutaro Hashimoto, when he and Mr. Kantor travel to Paris for a meeting of the Organization of Economic Cooperation and Development on Tuesday and Wednesday.

"They are still in the phase where they feel they have to shout at each other," said a senior EU trade official who has met recently with U.S. and Japanese officials.

Mr. Kantor justified his decision last week to threaten the tariffs on Japanese cars unless Tokyo opened up its auto market, saying Japan's barriers to imports posed the single biggest threat to an open world trading system.

"The way to build credibility for world trade," he said, "is to enforce your trade agreements and trade laws in a vigorous manner."

His arguments failed to impress the European Union's trade chief, Sir Leon Brittan. After nearly two hours of talks with Mr. Kantor, Sir Leon said he had "nothing to add and nothing to subtract" from his comments last week, in which he criticized the U.S. sanctions threat as an illegal move that could undermine the new World

See TRADE, Page 6



Yasser Arafat seeing off Shimon Peres after the two leaders met Monday at the PLO chairman's offices in Gaza.

Forecast on Japan Growth Takes a Hit

By Alan Friedman
International Herald Tribune

PARIS — The Japanese economy will grow by a lackluster 1.3 percent this year, or just half the speed that was previously estimated, slowing growth prospects for the rest of the industrial world, according to an authoritative report issued Monday.

The forecast of such a low Japanese growth rate for 1995, compared to a previous projection of 2.5 percent, was made by the Organization for Economic Cooperation and Development on the eve of its annual ministerial meetings here.

While the meetings are being overshadowed by the continuing trade dispute be-

tween Washington and Tokyo, diplomats said OECD trade and finance ministers would succeed Tuesday with at least one major initiative. They are expected to approve plans to try and conclude an international treaty governing cross-border investment within the next two years.

Part of the reason Japan's growth prospects were revised downward, along with those of other OECD members, was the effect of the dollar's downward spiral in recent months.

Jean-Claude Paye, the OECD secretary-general, said the yen's strength against the dollar was slowing the recovery in Japan, partly by affecting exports.

The worsening Japanese economic out-

look will dent the overall growth rate of the 25 member nations of the OECD. This means that the world's richest nations can expect 1995 growth of 2.7 percent, less than the 3 percent figure the OECD projected last December.

"The general outlook for member countries is reasonable, though not flourishing," said Mr. Paye. "This is sustainable growth without inflation."

The report was also bearish on Japan's prospects in 1996, saying the economy would grow by only 2.3 percent next year, down from an earlier estimate of 3.4 percent.

Average economic growth in 1996 for all See JAPAN, Page 6

Battered by Russians, Grozny Is Now Awaiting Their Cleanup

By Lee Hockstader
Washington Post Service

GROZNY, Russia — When a delegation of top Russian officials breezed into Grozny's Hospital No. 4 last month promising quick infusions of cash and equipment, its administrators took heart.

Nearly everything in the 510-bed hospital had been shot full of holes, blasted to smithereens, singed by fire or hauled off by marauding Russian soldiers in the two-month battle last winter for the capital of Chechnya.

The hospital's walk-in clinic had been taken over by Russian troops who were using it as a base and latrine. The children's ward, left without a stick of furniture, was closed down altogether.

Not to worry, said the Moscow officials, who included the head of the KGB's successor agency and a first deputy prime minister. We'll have it fixed up in no time.

"They promised to help us, to give us

everything," said Rashid Idrisov, deputy director of the hospital. "And then they did nothing. Nothing."

Having leveled much of the capital, Grozny, in crushing the region's bid for independence, Russia is now grappling with a massive cleanup job: In a city whose prewar population was 400,000, more than half the buildings are destroyed or heavily damaged.

But so far, residents and foreign aid workers here said, the Kremlin's response has been glacial. Despite elaborate promises of money and material, the Russians in Grozny appear to be doing as much to further offend and alienate people as to help them. Moscow has captured the city, but not its residents' hearts and minds.

In ways large and small, the Russian presence still has the feel of an armed occupation, rather than a response to a disaster. Officials of the Ministry of Emer-

See CHECHNYA, Page 6

Israel Will Hold Off On Land Takeovers

Turnabout on Jerusalem Welcomed By Palestinians and Moderate Arabs

By Clyde Haberman
New York Times Service

JERUSALEM — Retreating on an issue that had put it in political peril, the Israeli government suspended its plans Monday to confiscate land in largely Palestinian areas of Jerusalem.

The sudden about-face was welcomed by Palestinians and moderate Arab states like Jordan, which had distressed the Israelis with warnings that the Jerusalem dispute could undermine fledgling diplomatic relations between their two countries.

The reversal by Prime Minister Yitzhak Rabin, who had insisted earlier that the expropriation was final, killed a no-confidence vote in Parliament that had threatened to bring down his government because of a rare alliance between Arab parties and Jewish rightists who saw an opportunity to strike a lethal blow.

There were two other immediate effects. Arab states called off a summit meeting scheduled for Saturday in Morocco, a gathering that Israel had feared would erode new and fragile relations with some Arab countries. And a serious obstacle was removed in Israel's peace talks with the Palestine Liberation Organization. Over the weekend the Palestinian leadership in Jerusalem had warned that the land issue could spark a new intifada, or uprising.

Foreign Minister Shimon Peres met today in the Gaza Strip with Yasser Arafat, the PLO chairman, and renewed Israel's determination to complete negotiations on widening Palestinian self-rule by July 1, despite widespread doubts about meeting that deadline.

As a goodwill gesture, Mr. Peres agreed to increase the number of Palestinian laborers allowed inside Israel by several thousand, to 35,000. He said that even before July 1, Palestinians in the West Bank may assume authority over electricity, energy and a few other areas now in Israeli hands.

For his part, Mr. Arafat said that he hoped the land seizure now frozen would be Israel's last, although he personally has seemed less interested in this issue than in quickly completing negotiations that would expand his power beyond Gaza and Jericho to the entire West Bank.

If the Israeli government's decision, made in an emergency cabinet meeting, smoothed ruffles on the peace front, it also left it vulnerable to opposition attacks that it had caved in to Arab pressure. Rightist leaders are all but certain to charge now that Mr. Rabin had shown himself to be irresolute on Jerusalem, which Israel has fully controlled since 1967 and insists will remain its undivided capital forever.

Indeed, the main opposition party, Likud, swiftly denounced the cabinet action as a "disgrace." Among the harshest critics

was Mayor Ehud Olmert of Jerusalem, a senior Likud figure, who said, "This is a government of surrenderers, a government lacking self-respect and principles, a bunch of cowards."

In reply, government leaders blamed Likud for its readiness to support two small Arab parties that had brought no-confidence motions on a matter — land expropriation as a statement of Jewish sovereignty — that the right claims to champion. If this government were to collapse, they argued, so would peace talks, and therefore they had to act as they did Monday to keep it alive.

In the end, the Arab parties withdrew their motions. But Mr. Peres charged that, to the rightists, "toppling the government is more important than keeping the unity of the country around Jerusalem."

Some government officials acknowledged that they had been politically bruised by their handling of this issue since it first arose three weeks ago.

"The way it was done was awful," an official said.

The matter led to an international uproar, which if anything grew louder last week after the United States, although criticizing the land seizure, had vetoed a resolution in the Security Council demanding that Israel call it off.

In Washington, Nicholas Burns, the State Department spokesman, had tentative praise for Israel's announcement that it was suspending the confiscation.

"We didn't believe that the original decision to confiscate the land was helpful," Mr. Burns said at his daily briefing. "We thought it posed difficulties."

The Israelis have routinely confiscated land in and around Jerusalem — mostly for their own use, as in this case — since winning the 1967 Middle East war and capturing parts of the city that had been under Jordan's control. For all the heat that it generated, the latest seizure was one of the smallest. It involved 134 acres by local count, or 131 in the UN resolution, in the Beit Safafa neighborhood to the south and Beit Hanina to the north, both Palestinian areas.

With peace talks on the line, the international reverberations became powerful.

The government belatedly emphasized to Palestinians, highly skeptical given Israel's record on this score, that housing planned for Beit Safafa would be for them. Then it tried to ease the developing crisis by promising that in the future it would take on more land in Jerusalem.

Technically, the expropriation is merely suspended, not canceled. A cabinet committee led by Mr. Rabin is supposed to study the issue. But it is difficult to see how the land seizures could be revived in the present climate.



SNIFFING AROUND AT LONDON DISPLAY — A trio of pensioners attending the flower show in the Chelsea district of London on Monday. An estimated 100,000 people are expected to visit the annual event.

Oklahoma Bombing Suspect Freed

DETROIT (AP) — James Nichols was ordered freed without bail Monday on explosives charges after a hearing before a U.S. District judge in which the government said for the first time that he had a hand in the Oklahoma City bombing last month that killed 166 people.

An assistant U.S. attorney, Robert Cares, argued unsuccessfully that Mr. Nichols should remain in jail on charges of making small explosives on his Michigan farm.

He said Mr. Nichols took "the final step" in the April 19 bombing, along with his brother Terry and Timothy McVeigh. Only Terry Nichols and Mr. McVeigh have been charged in the bombing.

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Dow Jones		Trib Index	
Up	54.30	Up	0.33%
	4395.63		119.71
The Dollar		Mon. close	
New York	1.4407	previous close	1.4443
DM	1.4407		
Pound	1.574		1.5705
Yen	87.345		86.80
FF	5.111		5.1145

PAGE TWO
A Sect's Attraction

THE AMERICAS
New Players in Welfare Game

ASIA
Taiwan Chief to Get U.S. Visa

U.S. Court Bars Term Limits Set by States

By Joan Biskupic
Washington Post Service

WASHINGTON — The Supreme Court ruled Monday that states could not set term limits for members of Congress, saying American democracy was built on the principle that individual voters choose who governs and for how long.

The 5-to-4 decision also would stop Congress from writing term limits into a statute. It makes a constitutional amendment the only sure means of restricting incumbency.

"Allowing the several states to adopt term limits for congressional service would effect a fundamental change" in the Constitution, Justice John Paul Stevens wrote for the court. "Any such change must come out by legislation adopted either by Congress or by an individual state, but rather... through the amendment process."

He said a "patchwork" of state tenure qualifications would undermine the uniformity and national character sought by the framers of the Constitution.

The case, involving term limits imposed by Arkansas on its senators and House members, had become a symbol of the anti-Washington sentiment of current voters and was being especially watched by House Republicans, who have proposed term limits as part of their "Contract with America."

Since 1990, 23 states have adopted term limits. While the merits of keeping incumbents off a ballot after a certain tenure has been debated sporadically since the nation's founding, this was the first such case to come before the court.

Lawyers on both sides were surprised by the closeness of the vote and the strikingly different views of state power that the case produced.

"Other than an amendment to the U.S. Constitution, they have shut the doors," on term limits, said Elizabeth J. Robben, who represented Bobbie E. Hill, a member of the League of Women Voters, who first challenged the Arkansas law.

Trying to put the best face on the defeat, See TERMS, Page 6

Simpson Ad Nauseam? Tell It to the Judge

By Marc Fisher
Washington Post Service

LOS ANGELES — Even as the Trial of the Century threatens to become the Trial of the Rest of the Century, it is not the yawning length of People v. Orenthal James Simpson that has the legal profession up in arms. Rather, it is this: What could have been an extraordinary, but not altogether anomalous, case has instead degenerated into an unwieldy legal circus.

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Trial lawyers, law professors and judges agree: A pedestrian murder case with a fairly simple fact pattern, a case that but for its celebrity status might not even have made it to a courtroom, has spun out of control, sparking calls for legal reform and dangerously corroding public confidence in the justice system.

Both sides now agree that the trial of Mr. Simpson on charges that he killed his ex-wife and her friend will end sometime around August. But a consensus has emerged among lawyers on both sides that the most likely result is a hung jury, leading to a second trial. And the Los Angeles district attorney, Gil Garcetti, says he is even prepared for a third or fourth.

Then there are the civil suits, in which the victims' families will ask civil court juries to find Mr. Simpson culpable of wrongful death — a far easier claim to prove than murder. Those cases are unlikely to begin until the murder charges are resolved.

And so it will not end at all. "The

Simpson matter," as Judge Lance A. Ito calls it every day, may well be with us into the next millennium.

Critics spread the blame generously around the courtroom. The prosecutors chose to bombard the jury with detail, losing sight of the core of the story line — two dead bodies, one suspect's blood and DNA. A hijacked and divided defense team lost its chance to bond with the jury, splintering its attack in a bewildering array of directions.

But from law schools to TV commentators, and even inside the courtroom, the bulk of the criticism is aimed at Judge Ito. After permitting the trial to get so far out of hand that lawyers were constantly bickering and jurors were dropping out and nodding off, the judge has gotten tough.

He now fumes at flabby lines of questioning, fines misbehaving lawyers and fingers members of the audience who dare to wear beepers, carry newspapers or otherwise disturb the new discipline in Depart-

See CIRCUS, Page 3

ASIA

Japan Cuts China Aid to Protest Nuclear Test

TOKYO — In a rare use of its economic clout to send a political message, Japan announced Monday that it would trim grant aid to China to protest Beijing's recent nuclear weapons test.

"China's nuclear test immediately after the extension of the Nuclear Nonproliferation Treaty and after Prime Minister Murayama urged China to stop testing was extremely regrettable and shocking to Japan's government and people," said the government's chief spokesman, Kozo Igarashi.

Prime Minister Tomiichi Murayama will decide the amount and specific subjects of the penalty as Tokyo negotiates future projects with China, he added.

This is the first time that Japan has used economic aid to register its disapproval over Chinese policy, a symbolic move calibrated to assuage public opinion in Japan without damaging ties to China.

"Japan sees its relations with China as very important and that will not change," Mr. Igarashi said. "But

it is important that China adequately consider Japanese feelings on nuclear tests, because the government needs citizens' understanding to extend grants."

Japan joined worldwide protests after China's test in its western desert on May 15, hours after the agreement on an indefinite extension of the nonproliferation treaty.

Officials of the Japanese Foreign Ministry stressed that the decision would not affect Japan's huge program of low-interest loans to support China's efforts at economic reform.

Instead, Mr. Igarashi said the cuts would be made to grant programs, a tiny component of Japanese aid. Projects already in progress would not be affected, he added.

Japan gave 7.8 billion yen (\$91.8 million) in grant aid to China in the 1994 fiscal year, only 3 percent of all grant aid it extended last year, the Foreign Ministry officials said.

The ministry has not announced the figures for the 1995 fiscal year, which began in April.

By comparison, China has borrowed 1.5 trillion yen (\$18.7 billion) from Japan since 1979 at favorable interest rates and was set to get an additional 580 billion yen (\$6.9 billion) for a three-year period starting in 1996.

An official at a private Japanese bank that is active in China played down the impact of a cut in grant aid. "The grant aid is not such a large amount and there are only a limited number of trading houses involved in it," he said. "We do not see this as having a very big economic impact."

The Chinese rebuffed Mr. Murayama when he asked them during a visit to Beijing early this month to join the other nuclear powers in halting atomic tests.

With the exception of China, the world's declared nuclear weapons states — the United States, Russia, France and Britain — have suspended tests. A global treaty to ban them is being negotiated in Geneva. Beijing says it needs more tests to bring its arsenal up to date before a test ban treaty is agreed to next year.



SEALED WITH A KISS — Prime Minister Jim Bolger of New Zealand leaning to kiss the Maori queen, Te Atairangiako, after signing a land deal on Monday in Turangawaewae Marae. The \$120 million accord is the first such treaty since 1840.

Clinton to Offer Visa To Taiwan's Leader

U.S. Risks Run-In With China

By Steven Greenhouse
New York Times Service

WASHINGTON — President Bill Clinton has decided to grant a visa to the president of Taiwan, according to senior officials.

The action would break a 16-year policy and risk retaliation by China, which vehemently opposes the move on the ground that the United States has no official relations with Taiwan.

The officials said Mr. Clinton had decided to risk a run-in with China by admitting President Lee Teng-hui because of intense pressure from the Republican-dominated Congress.

Earlier this month, the Senate voted 97 to 1 and the House 396 to 0 to urge Mr. Clinton to reverse the longstanding policy and allow Mr. Lee to attend Cornell University's alumni reunion next month in Ithaca, New York.

With this move and the deci-

sion to impose broad trade sanctions on Japanese cars, Mr. Clinton in one week will thus have angered the two most powerful Asian governments, China and Japan, at a time when many experts on Asia say American relations with the world's most dynamic continent are already strained.

No president of Taiwan has been allowed to visit the United States since 1979, when the United States adopted a policy that recognizes Beijing as the sole government of China.

Until then, Washington had recognized the Chinese Nationalists, who fled mainland China for Taiwan in 1949 after losing a civil war with the Communists, as the legitimate Chinese government.

Under intense pressure from China, the United States now maintains only unofficial ties with Taiwan, which the government in Beijing views as a breakaway province.

A senior official said that when J. Anthony Lake, the national security adviser, and the undersecretary of state, Peter Tarnoff, met China's ambassador to the United States, Li Daoyu, on Saturday to inform him of the decision, Mr. Li said his government was "very unhappy." Another official said the ambassador responded that his country would have "a sharp reaction."

Shortly after Congress adopted its resolution urging that Mr. Lee be granted a visa, China's Foreign Ministry said that admitting him for either an official or a private visit would have "serious consequences."

American diplomats acknowledged on Sunday that they feared that China might retaliate, but that they had sought to assuage the Chinese by saying that the congressional pressure was making such a decision inevitable.

Mr. Lee, who received a doctorate in agricultural economics from Cornell in 1968, has been invited to be the main speaker at the university's alumni weekend, June 8-10.

China is expected to accuse the United States of violating a commitment by admitting Mr. Lee because in September, after a long policy review, the administration assured China's government that Mr. Lee would not be allowed into the country except for a transit stop for safety, comfort or convenience.

Last May, his plane was allowed to stop in Hawaii to refuel, but he was barred from staying overnight and meeting friends.

Republicans in Congress welcomed the decision.

"The White House had to address the realities in Congress," said Senator Frank Murkowski, the Alaska Republican who sponsored the resolution on Taiwan in the Senate. "When we look at the significance of President Lee in the development of Taiwan — they'll have free elections this year — keeping him out was a situation that had to end, and I'm glad to see President Clinton move on it."



Mr. Hubbard, left, and Mr. Kim after the talks Monday in Kuala Lumpur.

'Good' U.S.-North Talks

KUALA LUMPUR — The United States and North Korea held "good, serious discussions" Monday on saving an agreement aimed at dismantling elements of the Communist nation's nuclear program.

Emerging from six hours of negotiations, the North Korean deputy foreign minister, Kim Gye Gwan, said the two sides agreed to send their working-level officials for the next round of talks on Tuesday. The U.S. Embassy said those officials would review the disputed issues "before resuming talks at the heads of delegation level."

Neither statement elaborated on said whether a working-level meeting, without chief negotiators, had any special implication. The chief U.S. negotiator, Thomas Hubbard, said simply that "we had good, serious discussions today." (AP)

Kashmir Protest March

CHARAR-I-SHARIEF, India — Kashmiri rebel leaders led thousands of protesters on a 35-kilometer (22-mile) march to this town, which was reopened for the first time since a battle between soldiers and Muslim insurgents destroyed most of the buildings, including a 15th century mosque. The government had banned the assembly of more than five people here but did not stop the marchers from reaching the devastated town.

The march was organized by the All Party Freedom Conference, an umbrella organization of more than 30 political and religious groups in Kashmir. The walk began in Srinagar, the state capital.

Fire swept through the town during the three-day fighting that ended May 11, burning down most of its wooden houses and a revered 15th-century mosque and shrine of Kashmir's patron saint, Nooruddin Wali. About 3,000 of the town's 25,000 people had returned by Sunday. (AP)

Thai Stars Fade Away

BANGKOK (AP) — Thailand's deputy prime minister announced Monday he would not run in a elections called for July, while another rising star hinted that he also would drop out of national politics.

Chamlong Srimuang, leader of the party whose withdrawal from the five-party coalition government forced Prime Minister Chuan Leekpai to dissolve Parliament, said he would not contest the election on July 2. Surin Pitsuwan, a member of Mr. Chuan's Democrat Party, suggested he might not run for Parliament because he was disillusioned with politics. Mr. Chamlong had been considered a prospective prime minister in past, and Mr. Surin in the future. (AP)

Japan Reactor Shuts Down

TOKYO — Japan's prototype fast-breeder reactor, Monju, shut down automatically Monday after a pump stopped working during tests, officials reported. A spokesman for the state-run Power Reactor and Nuclear Fuel Development Corp. said there was no danger of radiation leakage from Monju, located in Fukui Prefecture, 325 kilometers (200 miles) west of Tokyo.

The reactor, which first reached criticality in April last year, was shut down in March because of a problem with the steam-control mechanism. Officials were investigating the shutdown. A spokesman said it was unclear whether the stoppage would delay power transmission tests, scheduled to begin in July. The agency had planned to begin supplying electricity from Monju on a commercial basis at the end of this year. (Reuters)

For the Record

Indian Air Force helicopters airdropped food and medicines to remote villages in Mizoram State in the northeast, where landslides and flash-floods have killed 45 people, the area's top administrator said. (AP)

Japan and Russia will hold a second round of negotiations in Moscow over fishing rights, around the disputed South Kuril islands on May 29 and 30, the Foreign Ministry said Monday. (Reuters)

VOICES From Asia

Bob Mahuta, a Maori tribal elder, as the New Zealand government gave back some land to Maoris and apologized for confiscating it in the past century. "The hearts of the people are full of joy and relief." (AP)

Abdul Ghani Lone, a leader of a grouping of 30 Kashmiri political and religious groups, denouncing the Indian government for the blaze that ravaged a 15th-century Muslim shrine. "Even if the Indian forces set the entire valley ablaze we will not give up our struggle for freedom." (Reuters)

Ken Wodehouse, acting secretary for security in Hong Kong, on discussion by the U.S. House Committee on International Relations on resettling up to 20,000 boat people. "Those who seek to give false hope to the Vietnamese migrants in Hong Kong, or indeed in any other places of first asylum in the region, are doing them a disservice." (Reuters)

20 Die as Strike Shuts Karachi

Ethnic Party Calls Action to Protest Pakistan Crackdown

KARACHI, Pakistan — As many as 20 people were killed and more than 40 were hurt in violence Monday as a strike called by an ethnic party paralyzed Karachi and nearby towns, officials said.

A government spokesman initially said at least 10 people, including four security officials and a worker for Prime Minister Benazir Bhutto's Pakistan People's Party, had been killed during the strike, which was called by the Mujahid National Movement to protest a security crackdown.

But the police and doctors later put the number of dead at 20. Among those killed was a driver burned to death in a government bus in the north of

Sind Province, of which Karachi is the capital.

The latest deaths brought to 44 the toll from the wave of violence, which started Thursday. More than 520 people have been killed in ethnic and sectarian strife in the port city this year.

Karachi residents said policemen and paramilitary rangers were out in force to try to control stone-throwing crowds of youngsters, who set at least 29 vehicles on fire and damaged 50 cars and buses.

The violence began Thursday, when officials made raids in a district that is a stronghold of the Mujahid National Movement after three rangers were wounded in an ambush.

The party says it represents

the Mujahids, who are Urdu-speaking Muslims who fled to Pakistan from India after partition in 1947.

The "black day" declared by the movement Monday provided a baptism of fire for the new governor of Sind, Kamal Azfar. He appealed for peace soon after being sworn in to replace Mahmood Haroon, who resigned for health reasons.

As a result of the strike, airline passengers could not reach the airport because of the lack of taxis, and thousands of children waited in vain for school buses.

Most shops were closed in central Karachi and hanks pulled down their shutters to avoid being attacked by the gangs of youngsters.

Indonesian Heckled in Australia

Agence France-Press

PERTH, Australia — Protesters angry at Jakarta's presence in East Timor demonstrated against a visiting Indonesian minister when he arrived here at the start of a 10-day visit.

The police said Monday that 120 protesters were waiting outside a hotel when the motorcade of the Indonesian research and technology minister, B. J. Habibie, arrived Sunday night.

The protesters, many of whom were from the local Timor community, chanted slogans in English and Indonesian telling Mr. Habibie not to come back until Timor was free.

The police said Gordon McIntosh, a former Australian senator, was allowed into the hotel to deliver letters of protest addressed to Mr. Habibie and to Sabam Siagian, the Indonesian ambassador to Australia.

Indonesia has been battling an independence movement in East Timor since it invaded the former Portuguese colony in 1975 and annexed it the following year. The United Nations has not recognized the annexation and still regards Portugal as the territory's administrator.

Mr. Habibie will also visit Canberra, Melbourne and Sydney.

Taleban Militia Loses More Ground To Afghanistan's Army Near Kabul

Reuters

ISLAMABAD, Pakistan — Afghan government forces took several more positions Monday from the Taleban militia in the Maydan Shahr area southwest of Kabul, the government-controlled radio reported.

The radio, monitored by the BBC, quoted an army source as

saying that 20 Taleban fighters had been captured and that others had been killed or wounded.

The radio report said that several Taleban fortifications were destroyed in operations backed by artillery and air power.

No independent account of the latest fighting was immediately available.

Forces loyal to President Burhanuddin Rabbani, backed by jet fighters and helicopter gunships, captured a strategic ridge overlooking the town of Maydan Shahr, about 30 kilometers (20 miles) southwest of the Afghan capital, on Sunday.

The fall of the town, which commands the highway from Kabul to the south, would be a major blow to the Taleban militia, which has suffered a series of losses since March.

The movement emerged in southern Afghanistan in October and swept through 10 provinces, its leaders saying they wanted to install an Islamic state.

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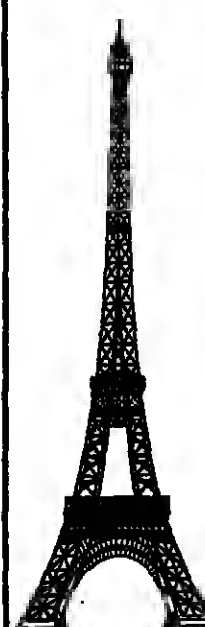
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THE AMERICAS

New Players in Welfare Game

Inner Circle of Republicans Now Makes Policy

By Barbara Vobejda
and Judith Havemann
Washington Post Service

WASHINGTON — When the Senate opens debate on welfare legislation this week, sitting in the Finance Committee room will be a gallery of advocates for traditional constituencies: the poor, the disabled, immigrants and children.

But they truly will be watching from the grandstands, as they have since the House took up its welfare bill early this year. Along with all else that changed when Republicans came to power in November, so

did the players and the process of making social policy.

As a result, the welfare bill approved by the House and the one scheduled for a committee vote Wednesday in the Senate — embodying the most far-reaching overhaul of social-welfare programs in 60 years — represent the work of an inner circle of new actors, excluding others who wielded enormous influence in previous debates.

"There wasn't even a perfunctory effort to listen to us," said Sharon Daly, deputy to the president for social policy for Catholic Charities U.S.A. "We had to fight to testify, and when

we did, it was at 8 o'clock at night after almost all the members and all the press had gone, despite the fact that Catholic Charities is the largest provider of services in the country and one in four Americans is Roman Catholic."

Much else also has changed. Complex legislation, which would end the federal entitlement that has guaranteed support for the poor since the 1930s, sped through the House in weeks and appears on a similar fast track in the Senate.

Both the House and Senate bills would replace the nation's basic cash-assistance program, Aid to Families with Dependent Children, with a lump-sum payment to the states that gives them a free hand to design their own programs.

By comparison, the much more incremental welfare legislation approved in 1988 took more than a year to work its way through Congress.

To those on Capitol Hill, the most extraordinary aspect of the process has been the entrée to a small group of outsiders — a handful of Republican governors and their staffs — in writing the legislation.

In both the House and Senate, one or two congressional aides and Gerald Miller, a representative of Governor John Engler of Michigan, a Republican, have written the bills. Mr. Miller, director of Michigan social services, was asked by Senate Finance Committee aides to submit a draft bill, much of which has been accepted by the committee chairman, Bob Packwood of Oregon.

In the House and the Senate, Mr. Miller has negotiated individually with Republican aides, line by line, about what would and would not be included.

For some on Capitol Hill, the level of power handed to a few governors and their staffs has been troublesome, going far beyond the traditional lobbying role that governors or mayors have played in the past.

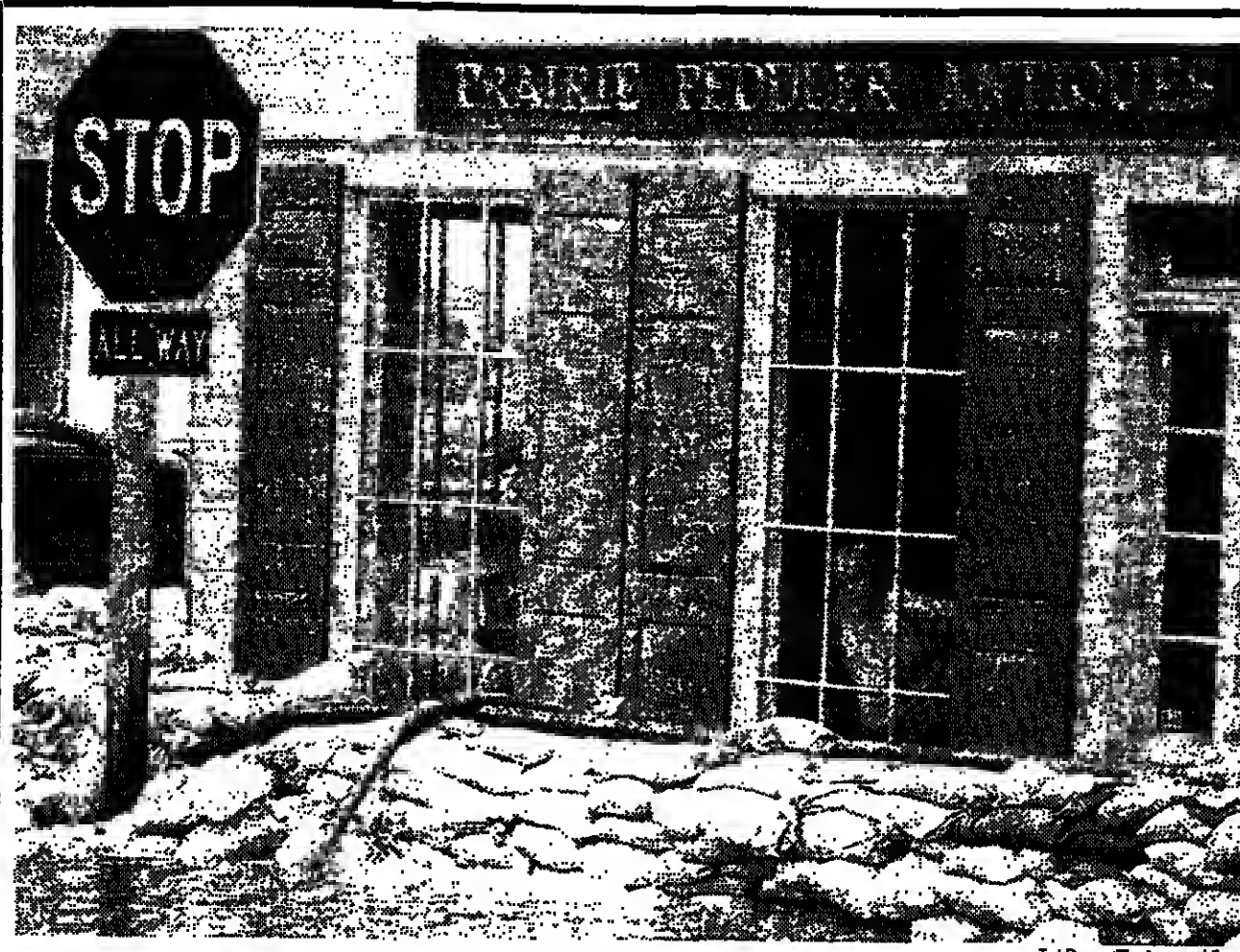
That unusual dynamic also stems from the November elections, which left 30 Republican governors in office wielding enormous influence for the first time on Capitol Hill.

Hayley Barbour, the Republican National Committee chairman, pushed along this new relationship, and within weeks representatives of Mr. Engler and Governor Tommy G. Thompson of Wisconsin, the lead Republican governors on welfare, were sitting in drafting sessions with House Ways and Means Committee aides.

The Republican governors aggressively promoted the concept of ending the federal entitlement and replacing federal programs with block grants to the states, which was more radical than the welfare reform measures previously proposed by House Republicans.

"There was nothing bipartisan about it," said Governor Howard Dean of Vermont, a Democrat, who heads the National Governors' Association. "The Republicans did not desire to have a compromise on this issue. At least the Republican leadership of the NGA did not desire to have our input."

"On the Senate side, people are willing to dance with us, but the decisions to cut have already been made," said Robert Fersh, president of the Food Research and Action Center.



A woman watching the water level in Alton, Illinois, as the Mississippi and Missouri rivers spilled over their banks.

Away From Politics

● High floodwaters of the Missouri River were receding in St. Charles County, Missouri, after cresting below the disastrous 1993 levels. Downstream residents were cautiously optimistic. (AP)

● The shell of the nine-story federal building in Oklahoma City where 166 people died in a bomb attack last month will be demolished Tuesday, officials said. (Reuters)

● A freight train derailed on a bridge over a freeway in Warren, Michigan, near Detroit, sending three freight cars crashing to the pavement below and leaving a fourth dangling over the highway. No vehicles on Interstate 696 were hit. (AP)

● Rodney King, whose videotaped beating by police set off the Los Angeles riots three years ago, was charged with drunk driving in New Castle, Pennsylvania, after he refused to take a blood-alcohol test, the police said. (AP)

● A 16-year-old boy was arrested after the body of a young neighbor was found hidden in the crawl space of the teen's home, authorities in Vancouver, Washington, said. (AP)

POLITICAL NOTES

2 More Hats Sail Toward the Ring

WASHINGTON — Maybe they are reacting to a lack of excitement over the current crop of contenders for the Republican presidential nomination. Maybe they feel a call to greater public service. Or maybe it is plain ego.

Just when it appeared that the field was settled, now come two party luminaries — one a Washington insider and the other an outsider — who want it known that they are available for their party's nomination: Newt Gingrich of Georgia and Governor Tommy G. Thompson of Wisconsin.

While Mr. Gingrich, the House speaker, says he is not running for president in 1996, his statements on the subject are far from definitive. And he touched off a new round of speculation last week with the release of an event-crammed itinerary for a trip to New Hampshire next month.

Mr. Thompson is far less subtle about his longing for the White House. He has already visited Iowa and New Hampshire and has more trips planned.

His aspirations were obvious this weekend at a regional meeting of Republicans in Green Bay, Wisconsin, where he tried to upstage the presidential candidates at the event by calling a news conference and urging reporters not to count him out. But he cautioned them not to count him in, either, adding that he would make a decision by Labor Day. (NYT)

Gun Lobby Backs Probe of Militias

PHOENIX, Arizona — Wayne R. LaPierre Jr., the executive vice president of the National Rifle Association, says his organization favors congressional hearings into the scope and intent of the heavily armed "Gizmo militias" that are proliferating around the country.

"We condemn hate groups, terrorist groups," Mr. LaPierre said. "We have never had anything to do with any of these paramilitary-type groups you see on television. That's not the National Rifle Association."

The association, the most powerful gun lobby in the country, has suffered image problems since two sympathizers of rightist groups were arrested as suspects in the Oklahoma City bombing that killed 166 people last month.

But other association officials cautioned that while Mr. LaPierre might endorse an investigation into paramilitary groups and the association might link with its image and sometimes strident language, there would be no significant change in its basic goal of promoting and defending the right to bear arms. (NYT)

A Careful Budgeting of Words

WASHINGTON — The Clinton White House has many faces and voices. But when it comes to negotiations on the future shape of the federal budget, they all speak these days in one portentous rumble: "All in good time," they say.

"This is not the moment for us to offer an alternative," said Alice M. Rivlin, director of the Office of Management and Budget, Laura D'Andrea Tyson, the president's chief economic policy adviser, said. "It's not the appropriate moment to propose an alternative."

And the same day, the White House spokesman, Michael McCurry, said: "The president will, at the proper point, be ready to engage and to offer up some ideas. But, you know, the timing is his choice and not yours."

That strategy reflects not only a remarkable unity of purpose for a White House known for talking out of turn but also the realization that, in the words of one Clinton adviser, "the budget is the whole ball game" this year in determining the direction of the government and Mr. Clinton's prospects for re-election.

So, under the direction of Mr. Clinton's chief of staff, Leon E. Panetta, the administration is singing as one. (NYT)

Quote / Unquote

Paul Jacob, a member of a group that favors congressional term limits, on the Supreme Court decision knocking down state limits on congressional terms: "This is a decision that will cause a lot of politicians in Washington to pop the corks on their champagne bottles. I've got a message for them — drink up. You're outnumbered. They're going to wake up tomorrow and find out the American people are still going to want term limits." (AP)

Press and the Public: The 'Cultural Divide'

By Howard Kurtz
Washington Post Service

WASHINGTON — More than half the public agrees with Newt Gingrich, Republican of Georgia and the House speaker, that the press has been too cynical and negative in covering the new Congress, but 8 in 10 journalists who cover national issues disagree.

Two-thirds of the public believes that President Bill Clinton's character problems have been overplayed by the media,

but two-thirds of national journalists reject such criticism.

More than half the public says homosexuality should be discouraged, but 8 in 10 journalists believe it should be accepted.

These are among the findings of a survey of 515 journalists and 2,000 others made public Monday by the Times Mirror Center for the People and the Press. The study depicts a yawning gap between the way journalists and their customers view politics, social issues and the news business.

"There appears to be a cultural divide that the press itself acknowledges," said Andrew Kohut, the center's director. "The public is saying the national media are part of the problem. They identify more of the 'gotcha' journalism and out-of-control journalism with national news organizations."

To be sure, many reporters and news executives are sharply critical of their profession. Half the journalists surveyed said the media had not adequately covered the potential consequences of the "Contract With Ameri-

ca," the Republican blueprint for the first 100 days of Congress. Three-quarters admit they give too little attention to complex issues.

Two-thirds of national journalists — and more than half of those from local media outlets — say they give short shrift to positive news. More than two-thirds say they are too focused on reporting the misdeeds and personal failings of public figures. And more than half agree that journalists are too cynical.

Yet they may be less cynical than the people they serve. More than half the national journalists surveyed gave officials in Washington high marks for honesty and integrity, about three times the proportion of nonjournalists. Local journalists were twice as likely as ordinary citizens to have high regard for federal officials.

On other questions, the public delivered a significantly harsher verdict on the media. Only one journalist in 10 sees media sensationalism as a serious matter, while more than 2 in 10 nonjournalists do.

Asked if news coverage had improved, 52 percent of the public said no and 15 percent did not answer. All told, two out of three members of the public had nothing or nothing

good to say about the media. These diverging views were particularly apparent in assessing political coverage. Even two-thirds of the Republicans surveyed said the press had made too much of Mr. Clinton's character problems.

But this coverage is no accident. More than 8 in 10 national journalists say they view Mr. Clinton's character as weak. And a majority feel that coverage of the administration has been shaped by this perception. Still, nearly half the national journalists concede that they may have undercovered Mr. Clinton's achievements.

CIRCUS: Has the Simpson Case Spun Out of Control?

Continued from Page 1

ment 103 of Los Angeles County Superior Court.

"For too long, the judge was manipulated by both sides," said Leonard Cavise, a former trial lawyer who now teaches at DePaul University Law School in Chicago. "He exercised very little control in the case. He had his eye too focused on the court of appeals. Now he's playing tough guy, but it's too late."

The new Judge Ito emerged only after more than 440 sidebar conferences kept the jury cooling its collective heels for hundreds of hours, and after the county had spent more than \$4 million on the case.

The defense will not say how much it has spent. Local lawyers estimate that the defense team will bill Mr. Simpson for at least as much as the prosecution has spent.

Johnnie L. Cochran Jr., Mr. Simpson's lead attorney, said his client would not have the money to pay for a second trial. "But we're committed to the point of bankruptcy," he said. "If it came to that, I would work without fee. I don't know how many of these other lawyers would be back."

In a sign of how hard-pressed the defense is for cash, and how deeply the celebrity status of this case has invaded the American psyche, Mr. Simpson's representatives have discussed staging a pay-per-view victory

celebration if the former football star goes free.

The Simpson celebrity whirlwind rages unchecked.

Judge Ito, Mr. Cochran and a prosecutor, Christopher Darden, made well-publicized speeches. Mr. Cochran attended a book party for Norman Mailer in West Hollywood. And Mr. Garretti traveled to Washington, ostensibly to seek money for law enforcement. But he made time for plenty of O.J. talk during his visit.

The judge and the lawyers on both sides seem unable to curb their appetite for attention. From Judge Ito's extensive interview with a Los Angeles TV personality last fall to Mr. Cochran's jam-packed speaking schedule, from the heavy makeup of the lead prosecutor, Marcia Clark, to the defense lawyers' jockeying for seats in direct view of the courtroom camera, the case's celebrity cachet has robbed the justice system of authority and mystery, legal experts say.

Barry Schick, a member of the defense team, blames TV coverage for fostering "disrespect for the system."

"This whole new industry of commentators promotes cynicism, and I speak as one of the original commentators on Court TV," he said. "There's no presumption of innocence, there's snap judgments. There is nothing snap about

what is happening inside Department 103. On the wall above the clerk's box, calendar pages track the glacial pace of the trial. Six pages have been mounted on the wall thus far. There is room for plenty more.

"This is a six-week case," said Mr. Cavise, the DePaul professor. "Three weeks for the prosecution, three weeks for the defense, a week of instructions and argument. The judge is the main culprit."

Analysts said Judge Ito should not have allowed rebuttal to opening arguments, a weeklong break in the trial for the elusive witness Rosa Maria Lopez to be deposed, or other extended arguments over evidence and witnesses.

"It's not a matter of rules," said Judge Marilyn Millan, who presides over criminal cases in Dade County, Florida. "It's work ethic and the Hollywood mentality. If the cameras weren't there, the trial would be over. When we keep a jury, we keep it till we drop."

"I kept a jury till midnight last week because I had to move on," she said. "Judge Ito keeps bankers' hours and then just lets the lawyers go back and forth for two and a half hours talking about the same thing."

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INTERNATIONAL

Mexico City's Street Children Grow in Number and Wretchedness

By Tod Robberson
Washington Post Service

MEXICO CITY — The morning sun streaked across 12-year-old Eloy's emaciated face as he and his girlfriend, Margarita, greeted the new day from a discarded red velvet armchair they had shared the previous night outside a Mexico City subway station.

Both yawned, squinted, then simultaneously pressed toxic, solvent-soaked tissues to their mouths, inhaling deeply.

The momentary boost from the fumes was enough for Margarita, 14, to pull herself to her feet. Then, complaining of a fever and wanting more sleep, she stumbled a few meters over to a manhole, stepping around a dead rat and descending into her "bedroom" — an old underground pipe that years ago had run thick with raw sewage.

The story of Eloy and Margarita reflects that of thousands of other homeless Mexican children who, experts say, are becoming more numerous and more destitute as Mexico's five-month-old

economic crisis, prompted by a devaluation of the peso, deepens.

"Before the economic crisis, we used to come across two or three new street kids every week," said José Manuel Capellán, director of the Casa Alianza shelter for homeless children. "Now we see two or three new ones every day."

A senior government official acknowledged that Mexico's suffering economy has increased the signs of abject poverty.

"It is logical," he said. "The crisis brings greater unemployment, and unemployment leads to greater poverty. Poverty expels children onto the streets."

The section of rusted iron sewer pipe where Margarita crawled off to sleep is also home for 45 of Mexico City's poorest poor. They range in age from 7 to 19, spending their days begging, washing car windows at intersections and foraging for food.

At night, they escape the pain and loneliness of street life by gathering in their underground cult. Someone collects the day's earnings and rushes off to a nearby hardware store to purchase

whatever "drug" is available — chemical solvents, shoe-cobbler's glue or plumber's pipe dope.

For reasons no one cared to explain, Eloy is the group's keeper of the tissues, stuffing wads of solvent-soaked toilet paper into a plastic bottle and dispensing them to all takers.

"It makes me fly," said Guillermo, 19, as he accepted a tissue from Eloy. "I can forget everything and take a trip."

Although he described himself as a longtime veteran of street life, having left his parents seven years ago, Guillermo said the economic crisis was pushing new children to his sewer-pipe doorstep every week.

"We have to be mean to them and tell them to go away," he said.

At a nearby bus station, Manuel Veloz Vite, a Casa Alianza volunteer, said new children were flocking in daily, mainly from the southern states of Veracruz, Oaxaca, Michoacán and Chiapas, which have been hardest hit by rising unemployment and poverty.

"The street children are not the problem but

rather a symptom of the real problem," Mr. Capellán said. "The kids are evidence of how the system punishes its weakest members."

A 1992 United Nations survey estimated that there were 11,000 "street children" in the Mexican capital, either homeless or put on the streets by their parents to beg or work.

Now, "we think there are 30,000 to 40,000," said Mr. Capellán, whose organization operates eight shelters for children across Mexico City. He added that no nationwide estimates exist.

The children are in evidence at busy intersections everywhere in the capital. Taller youngsters jump on car hoods when traffic is at a standstill, spraying windshields with detergent and quickly wiping them clean in hopes of earning a one-peso donation, the equivalent of 17 cents. Smaller children meekly wipe side mirrors or tap the drivers' windows to ask for a handout.

At one busy intersection, María Camacho, a 38-year-old mother of eight, said she sends her children onto the streets because "it is the only way we can survive."

Before the crisis, she explained, her older teenage boys could earn up to \$15 per day washing windshields. She made roughly the same amount selling gum while keeping an eye on her two infants.

"People won't give the kids anything anymore," she said. "We make half as much as we used to."

For those like Eloy and Margarita without parents to watch over them, the tough times are a leading cause of increasing acts of desperation. A few months ago, Mr. Veloz said, Margarita tried to commit suicide by slamming her head repeatedly into a concrete wall. She has also slashed her wrists at least twice.

While entertaining two reporters inside his manhole home, Eloy extended his own wrist and asked an aid worker to put a bandage on cuts he had made the day before.

"I did it with some broken glass," he explained.

When asked why a 12-year-old boy would want to kill himself, Eloy rolled his eyes, as if to say the answer was obvious. Then he turned silently away.

To Fight Virus, Zaire Starts Spot Checks

Compiled by Our Staff From Dispatches

KINSHASA, Zaire — Zaire, whose capital has been spared by the Ebola virus, has introduced checks at unexpected spots on roads leading to Kinshasa to screen for the deadly disease.

With the death toll at 101, Sammy Chumfong, a spokesman for the World Health Organization, said Monday that the random checks replaced a failed attempt to stop all travel to the capital from Bandundu Province, where the outbreak occurred.

"The screening posts are dotted everywhere for purposes of random testing," Mr. Chumfong said. "We don't want people to know where they are, so they don't try to avoid them."

No cases have been reported in the capital.

Medical experts in Kikwit, at the heart of the epidemic that at first was mostly confined to doctors and nurses at Kikwit General Hospital, expect a clearer picture of the impact on the general population to emerge this week.

The virus, which is contracted by contact with blood or bodily fluids, kills by causing

uncontrollable bleeding. There is no known vaccine or cure.

The World Health Organization said Sunday that scientists investigating the epidemic had traced cases to the end of 1994, three months earlier than previously believed.

Nevertheless, even sketchy information about the earliest cases was "good news" because it could bring scientists a step closer to trying to find where the Ebola virus hides in nature between outbreaks, said Dr. Clarence J. Peters, a virologist at the Centers for Disease Control and Prevention in Atlanta.

Scientists strongly suspect that the natural reservoir for the Ebola virus is some species of animal that carries the virus without getting sick.

Until Sunday, the international team had identified a laboratory technician who underwent surgery in March as the initial case in the epidemic. Several nurses and doctors who participated in the technician's surgery became sick and died.

But the international team has indicated that it no longer believes that the technician was the initial case, but another victim in the chain of transmission. (Reuters, NYT)



Mr. Brown, in Geneva on Monday, said Washington would abide by any WTO finding.

TRADE: EU Cools U.S. Ardor for Fight With Japan

Continued from Page 1

Trade Organization as a trade forum. That view is widely shared beyond U.S. borders, and there

were signs that American officials were hearing the message. In his meeting with Sir Leon, Mr. Kantor emphasized that sanctions would not come into force before June 28, saying,

"We haven't done anything yet," according to one official. In a speech later to U.S. corporate executives, Mr. Kantor said his goal was not some form of government-managed trade in cars, but a level playing field that would give all automakers, including Europeans, a fair crack at Japan's market.

"They clearly are on the defensive," the EU official said. Despite the differences over tactics toward Japan, Mr. Kantor and Sir Leon did make progress in defusing some of their own trade disputes, including EU quotas on banana imports and U.S. demands for tariff concessions following the entry of free-traders Sweden, Finland and Austria to the Union in January.

Agriculture Commissioner Franz Fischler will travel to Washington in June to continue negotiations on bananas.

"There was clearly an effort on Mickey Kantor's side to not have two fronts open at the same time," the EU official said.

JAPAN: Growth Forecast Halved

Continued from Page 1

OECD members was forecast at 2.7 percent, instead of the 2.9 percent rate predicted last year. The rate of growth in Germany could also be affected, although to a lesser extent, by the dollar's weakness against the Deutsche mark.

Although the OECD said it expected Germany's economy to grow by 2.9 percent this year, rather than its earlier forecast of 2.8 percent, the research organization said German growth would be just 2.7 percent in 1996, below the 3.5 percent rate that was forecast less than six months ago.

Slower growth in Germany could affect Western Europe more generally next year, slowing growth there to 3.0 percent. Earlier, the OECD predicted growth of 3.2 percent for Western Europe in 1996.

The economic report Mon-

day seemed to support the notion that there are reasonable prospects for the U.S. economy to experience a "soft landing."

The OECD forecasts suggested that the U.S. economy would grow at 3.2 percent in 1995 and 2.3 percent in 1996, down from growth of 4.1 percent last year.

Inflation in the United States could be around 2.0 percent this year, or much less than the 2.5 percent contained in the last OECD forecast.

For all of the OECD nations excluding Turkey and Mexico, where inflation is typically high, price rises should be moderate: 2.0 percent in 1995 and 2.4 percent in 1996.

The OECD's more bearish forecasts are likely to come up in talks Tuesday between finance and trade ministers who are due to discuss ways of fighting unemployment, which has remained at stubbornly high levels in many countries despite renewed economic growth.

The OECD has prepared specific policy proposals for how each member country can reduce unemployment, but the recommendations are being kept secret for the time being. The United States has urged that they be made public.

David Aaron, the U.S. representative to the OECD, said Monday that "there is some sensitivity about strong recommendations being debated in the public arena, but we hope that the results will be published."

Chinese Rail Mishaps Rise

BEIJING — Accidents at rail crossings in China have reached nearly 13,000 in the last four years, with more than 12,000 casualties.

TERMS: U.S. High Court Bars State-Imposed Limits

Continued from Page 1

the Arkansas attorney general, J. Winston Bryant, compared the grass-roots term-limits movement to women's suffrage and said, "That took a number of years to come to fruition and I believe the same will happen with term limits."

John G. Kester, representing U.S. Term Limits Inc., which intervened on the state's behalf, added, "We came within one vote of winning the whole war."

In his 61-page opinion Justice Stevens acknowledged that "rotation" in office "may provide for the infusion of fresh ideas and new perspectives, and may decrease the likelihood that representatives will lose touch with their constituents."

But he said the merits of that debate could only be left to the people and the amendment process.

Reviewing the country's origins and comments from the founders, Justice Stevens said the Constitution's explicit age, citizenship and residency qualifications are the exclusive criteria for congressional membership.

He was joined by three other liberal-leaning justices, David H. Souter, Ruth Bader Ginsburg and Stephen G. Breyer, and by Justice Anthony M. Kennedy, the likely key vote in the case.

Justice Kennedy signed Justice Stevens' broadly written opinion and wrote a separate statement emphasizing how the Arkansas term limits statute challenged the "distinctive character" of a national government.

"There can be no doubt, if we are to respect the republican origins of the nation and preserve its federal character, that there exists a federal right of citizenship, a relationship between the people of the nation and their national government, with which the states may not interfere."

In the dissent were Chief Justice William H. Rehnquist and Justices Antonin Scalia, Sandra Day O'Connor and Clarence Thomas, to whom the chief assigned the dissenting opinion.

"It is ironic that the court has today's decision on the right of the people to choose

whom they please to govern them," Justice Thomas wrote, because it then invalidates "a provision that won nearly 60 percent of the votes cast in a direct election and that carried every congressional district in the state."

The Arkansas provision was adopted in 1992 as an amendment to the state constitution.

Overall, the four justices in the dissent also adopted a significantly different view of the origins of state power. As articulated by Justice Thomas, the dissent would enhance the power of the states in several areas, not only to put qualifications on their representatives in Congress.

The modern-day interest in term limits flows from a generally low turnout in Congress and the popular belief that entrenched politicians serve themselves more than their constituents.

The Arkansas rule keeps candidates off the ballot who have been elected to the House more than three times or to the Senate more than twice.

A Victory for Courtesy

In a separate case, the court unanimously ruled that policemen with court warrants are constitutionally required in

many cases to knock and announce their presence before entering a home to conduct a search. The Associated Press reported.

Writing for the court, Justice Thomas said, "We hold that in some circumstances an officer's unannounced entry into a home might be unreasonable under the Fourth Amendment."

Such "knock and announce" rules exist in most states and also apply to all federal law enforcement agents. Today's decision means those states lacking such rules will have to adopt them.

Justice Thomas noted that courts have allowed the police to enter homes without announcing themselves in emergencies, such as when there is a threat of physical violence or a danger that people inside a house might destroy evidence.

The notion that police officers must give notice before carrying out a search warrant authorizing their entry into someone's home derives from an explicit requirement of English common law. But whether a general knock-and-announce requirement is constitutionally required had been ambiguous since a splintered Supreme Court dealt with the issue in a 1963 decision.

CHECHNYA: Awaiting Cleanup

Continued from Page 1

gency situations, whose job is to address the most pressing needs of public health and welfare, emerge from their sandbagged compound and drive around town in armored personnel carriers, their machine guns at the ready.

To most civilians, the "emergency workers" who have come to patch things up are indistinguishable from the troops who were sent to tear things down.

"They destroyed the city completely, and now they have to rebuild it again," said the head of an international humanitarian aid mission here.

The aid worker added: "You can see how the city looks. It's totally destroyed, and the repair work is very, very slow."

Officials in Moscow said they have been working hard to rebuild the city, and have made headway. According to Russia's Interfax news agency, an official of the commission in charge of rebuilding Chechnya, Yuri Mikhalov, said 143 miles (230 kilometers) of gas pipelines and 97 miles of power lines already have been repaired.

Forty-six of the city's 58 schools have reopened, usually after moving to buildings that escaped bombardment, Mr. Mikhalov said. And more than \$3 million has been paid out to retirees who had not received their pensions in months or years.

Officials said one of their priorities was to restore the public health system. Of Grozny's 12 hospitals, three have reopened and are providing at least some in-patient treatment. Nine outpatient clinics also were open, but handicapped by shortages of medicines and equipment. A maternity hospital is to open soon, and about 400 doctors who fled the fighting in the city have returned to resume their work.

Moscow's first deputy finance minister, Vladimir Petrov, told the Postfactum news agency that Moscow had spent \$270 million to restore Chechnya's economy and infrastructure.

Chechen Leader Agrees

On Talks With Russia

VIENNA — The Russians and the Chechen separatist leader, Dzhokhar Dudayev, have agreed to direct talks in Grozny on Thursday to halt the fighting in Chechnya, a European security official said Monday.

The talks will be held under the auspices of the Organization for Security and Cooperation in Europe at its mission in the wrecked capital of Chechnya, the OSCE official said.

Yet critics say billions, not millions, of dollars are needed, and to most people who live and work in Grozny the Russian response has been woefully inadequate. The problem has been compounded by the return of more than 100,000 people who fled the heaviest fighting in January and February, and whose arrival now is straining the few services the Russians have been able to restore.

The most visible effort by Moscow has been to raze shell-shattered buildings and clear rubble from the center of the city. Work was also under way to fix up the central railroad station, which was pulverized in the fighting.

Despite the repairs to power lines, most parts of town still lack electricity. With pumping stations destroyed or heavily damaged, there is still virtually no running water, and people were relying on wells and water trucks supplied by relief groups.

Gas has been restored to some, but not all, parts of the city.

Of the tens of thousands of people whose homes were destroyed, about 7,000 have asked for temporary housing. But with shelter in short supply, there is little immediate chance of relief.

Beyond the aid work, many people complain bitterly about the conduct of the Russian soldiers. Many can be seen lounging at their checkpoint bunkers or perched on their armored personnel carriers, drinking beer and vodka at all hours.

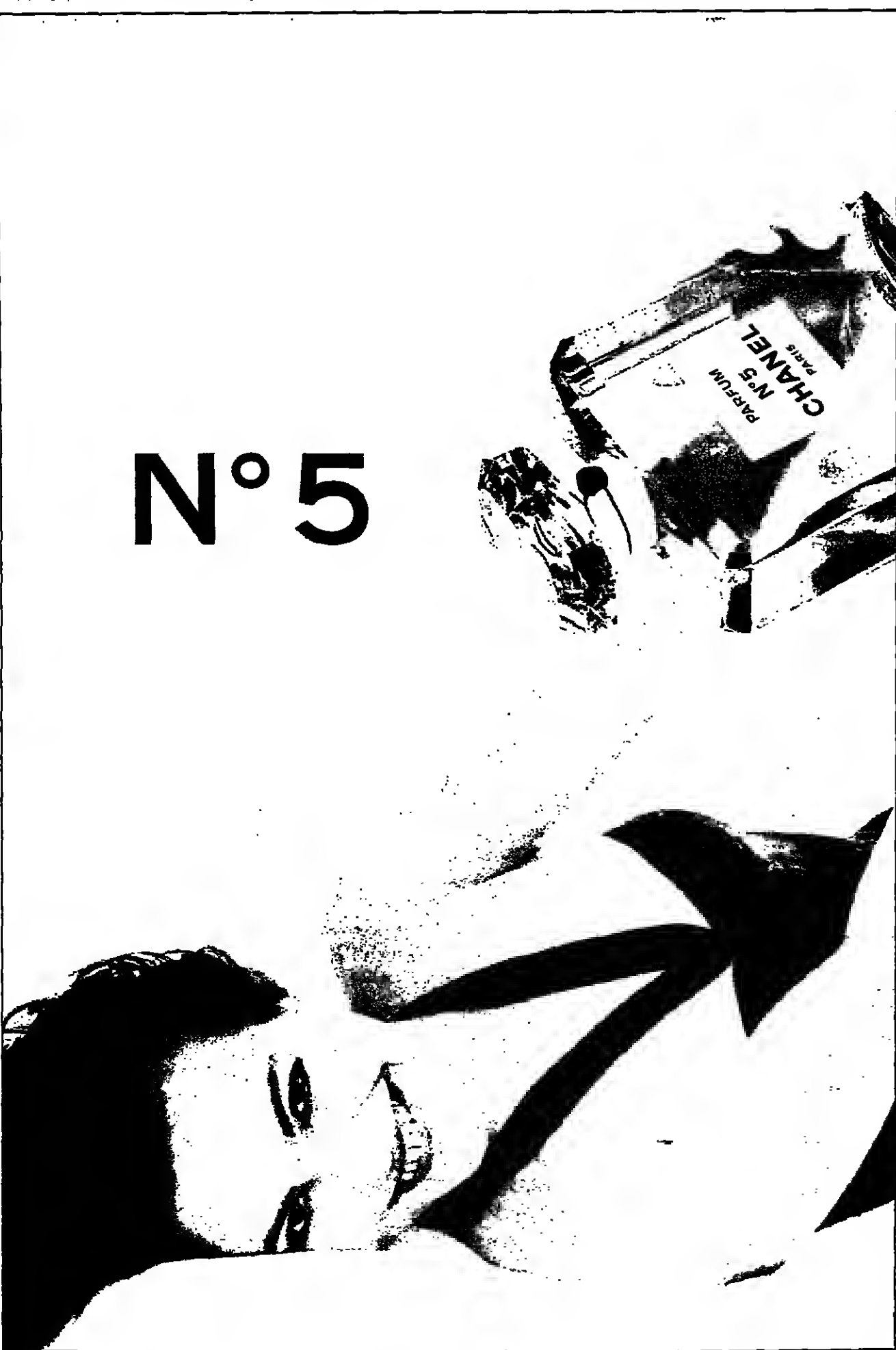
Israeli Minister Punched in N.Y. By Rally Sponsor

NEW YORK — The culture minister of Israel was punched in the stomach before the city's annual Salute to Israel parade by an irate sponsor of the rally who tried to prevent her from speaking, a spokesman for the Israeli consulate here said.

"As I spoke about Israel's strength and accomplishments, the minister, Shulamit Aloni, said on Israeli radio Sunday, 'a heavy man in black rose up with a war cry and jumped on me. He punched me in the stomach.'"

The attack took place as Ms. Aloni was about to greet the parade's participants. Gideon Mark, the spokesman, said, "Some of the hotheads who are opposed to the peace process began to boo her and wouldn't let her talk."

The minister was not deterred by the booing.



EUROPE

NATO Chief Buoyed
By Belgian Results

Claes's Socialists Gain in Vote

BRUSSELS — The Flemish Socialists' surprisingly strong showing in Belgium's general election looks likely to ease pressures on the embattled secretary-general of the North Atlantic Treaty Organization, Willy Claes.

Analysts said Monday that Mr. Claes, who had faced calls to step down after he was linked to a corruption scandal surrounding the party, had been seen as a potential scapegoat for any electoral disaster.

"The most damaging thing he faced was pressure from his own party," an analyst said. "That will now end. It does not mean he is safe. More dirt may still come out, but he will not be under the same pressure from his party."

Last week, Mr. Claes told Belgium's highest court that he had had no involvement in the defense-contract scandal over the purchase of 46 helicopters from the Italian firm Agusta when he was economics minister in the late 1980s.

A few days later, four party officials, including Mr. Claes's former top aide at the time, were released from prison after being held for questioning for three months in connection with allegations that Agusta had paid kickbacks to the party.

The release was good news for Mr. Claes, who has consistently maintained his innocence but been unable to shake off the scandal and concentrate on his

NATO post, to which he was appointed in October.

Some analysts said that Belgium's election campaign had undermined his position still further.

The Socialists, fearing a catastrophe at the polls, had cast around for a senior figure to sacrifice and Mr. Claes had seemed one of the most likely victims.

With nearly all the votes counted from the election Sunday, Prime Minister Jean-Luc Dehaene's center-left coalition held a slim majority in the new lower house and the extreme right failed to make the predicted gains.

The Flemish Vlaams Blok, which had campaigned on a separatist, anti-immigrant ticket, appeared to have gained 1.2 percentage points to capture 7.8 percent of the vote.

"I'm happy to say there has not been a negative vote, but a positive vote," Mr. Dehaene said.

He submitted his government's resignation to the king on Monday, paving the way for what are usually long months of negotiations on a coalition.

Under Belgium's complex electoral procedure, the king usually appoints an *informateur*, a politician who takes soundings among the parties about a new coalition.

He then names a mediator, who, as happened in 1991, often becomes the prime minister.

BRIEFLY EUROPE

Dutch Voice Apprehension

BONN — Close ties between France and Germany in the European Union should not be allowed to overshadow bloc-wide cooperation, the Dutch prime minister, Wim Kok, said in an interview published Monday.

Germany and France see themselves as the twin "motors" of European integration.

"Close cooperation between Bonn and Paris is elementary for the EU," Mr. Kok told *Die Welt* newspaper before a visit to the Netherlands by Chancellor Helmut Kohl on Monday and Tuesday. "Should this power be abused, however, it would certainly prompt concern and irritation among other EU partners." (Reuters)

Call to Amend EU Treaty

BRUSSELS — The European Union should consider amending its treaty to guarantee citizens tangible economic and social rights, the social affairs commissioner, Padraig Flynn, said Monday.

Mr. Flynn, in a speech that criticized member states for losing their "sense of common purpose" in the area of social policy, said that a new treaty would allow citizens to take direct legal action to secure new benefits.

"The hard reality," he said, "is that the preoccupations addressed in the present treaty have to a considerable extent already been met by existing legislation, and more importantly are increasingly not the real preoccupations of ordinary people." (Reuters)

East European War Games

BRUSSELS — NATO will hold 11 military exercises with its new East European partners this year to prepare forces for cooperation in peacekeeping and humanitarian operations, the alliance said Monday.

Five of the exercises will be held on the territory of former Soviet bloc nations.

The biggest maneuvers are scheduled for October in Denmark and the Baltic Sea. Code-named *Cooperative Jaguar*, they will involve land, sea and air forces from NATO nations and at least five East European nations. (AP)

EU Sets Loan for Ukraine

BRUSSELS — European Union finance ministers agreed Monday to let Ukraine have a loan

of 85 million European currency units (\$110 million), diplomats said.

The decision to release the money was originally made last December, but was conditional on Ukraine promising to close the Chernobyl nuclear plant where a reactor melted down in 1985, causing the world's worst nuclear accident. Ukraine has now pledged to shut down the other three reactors by 2000. (Reuters)

U.K. Road-Safety Call

LONDON — Britain's road crash victims and relatives urged harsher treatment Monday for drivers who cause injury or death and more help for the hurt or bereaved. (Reuters)

Grant for Jordan Projects

AMMAN, Jordan — The EU has granted Jordan 20 million Ecu (\$25.9 million), mainly for water projects in the Jordan River valley, the EU representative here said Monday.

The grant is earmarked to finance a water project aimed at channeling water from the Sea of Galilee in Israel to King Abdullah Canal in northwest Jordan. Israel pledged to provide Jordan with 50 million cubic meters annually from the Sea of Galilee under the two countries' peace treaty signed on Oct. 26. (AFP)

Calendar

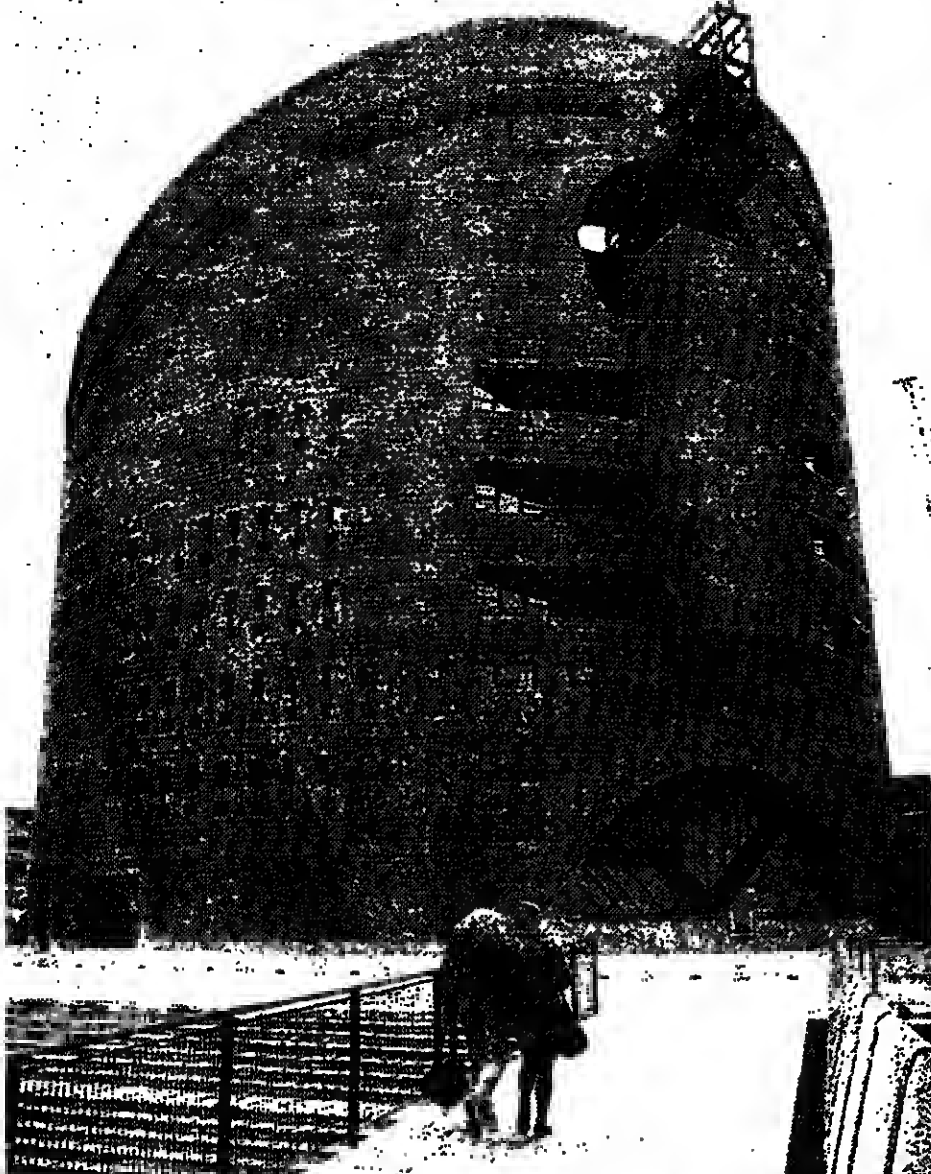
European Union events scheduled for Tuesday:

BRUSSELS: Agriculture Commissioner Franz Fischler meets with the Irish agriculture minister, Ivan Yates.

BRUSSELS: Parliament committee on research, development, technology and energy holds a public hearing on Chernobyl.

BRUSSELS: The Transportation Commission will question the competition commissioner on the liberalization of postal services.

BRUSSELS: The monetary subcommittee of the Parliament will meet the economic and monetary affairs commissioner, Yves-Thibault de Silguy, to discuss the "green paper" on the introduction of a common European currency. Sources: Agence Europe, AFP.



A couple outside the cylindrical new cathedral in Evry, a new suburb south of Paris.

A Cathedral Breaks the Mold

Squat Design — No Spires Here — Inspires Ridicule

By William Drozdiak
Washington Post Service

EVRY, France — In a land where many places of worship are revered as towering Gothic masterpieces that took centuries to build and stand out as awe-inspiring testaments to enduring religious tradition, the Cathedral of the Resurrection here truly breaks the mold.

Unlike the soaring edifices at Reims, Beauvais or Chartres, France's first new cathedral in 150 years aroused such a furor when it was inaugurated in this Paris suburb last month that many critics characterized it as a monument to blasphemy rather than the beatific vision claimed by its architect, Mario Botta of Switzerland.

The cylindrical red-brick structure rises 12 stories, is topped by a sloping glass roof and is surrounded by 24 lime trees, to symbolize Jesus's crown of thorns. Bricks — about a million — were used in the construction because the architect says baked clay is "the most humble and basic material, representing earth and fire."

Mr. Botta, who also designed the Museum of Modern Art in San Francisco, said he did away with the traditional spire in his "post-antiquity" structure and opened up the roof to show the alliance between God and man through baptism.

But instead of peaceful bliss, the cathedral has inspired angry fulminations. Critics have likened it to everything from a squashed birthday cake to a grain silo. The far-right publication *Présent* excoriated what it saw as a break from Catholic tradition, labeling it a "Masonic mausoleum." The satirical weekly *Le Canard Enchaîné* called it "Notre Dame-of-IKEA" after the low-cost home furnishings store.

But Bishop Guy Herbulot, who led the drive to build it, defends its design as a way of keeping with the times and the tastes of the young, working-class families who have settled in his community. "A cathedral in this day and age needs to speak to the people," he said. "Otherwise, it is nothing but dead stones."

Even Pope John Paul II, renowned for his traditionalism in many church matters, bestowed his blessing on the Evry project as a way to help "give meaning to the generations who will open the third millennium," Vatican

officials said the Pope hopes to visit the cathedral and consecrate it formally by 1996.

The fact that a new cathedral was built at all stands as a remarkable feat in modern France. Nearly all of the country's 90 cathedrals were built before the 1789 Revolution. Except during tourist season and days of worship, many of the cavernous monuments stand empty, a reflection of the growing secularization of French society.

Built in four years at a cost of \$13 million, the Evry cathedral can hold up to 1,400 worshippers and is equipped with stereo sound, a giant projection screen and electronic surveillance.

Bishop Herbulot and the local pastor, Alain Bobière, also drew criticism for using direct mail and other modern fund-raising techniques to raise most of the money from 180,000 private donors. They plastered posters along streets and mailed out tens of thousands of leaflets carrying the pitch: "Who can build a cathedral? YOU!"

Church organizations raised \$2 million more, and the national government chipped in \$1 million as a cultural subsidy to help build a museum of sacred art in the cathedral.

The state's contribution fueled more protests because of a 1905 law that forbids diversion of government money to churches, as part of the constitutional effort to maintain full separation between church and state.

Other critics suggested that the state's role was part of an effort to restore the Catholic Church's preeminence in a community where two synagogues and a mosque have sprung up in the last decade. Some of them insisted that if the state were going to become involved at all, the cathedral should be established as an ecumenical place where all faiths could worship.

But Father Bobière strongly disagreed, saying it was not practical to create "supermarkets of faith." He observed that the universal nature of the church has been represented by a crucifix from Tanzania, granite flooring from Brazil, mortar from Italy and bricks from Toulouse, in southern France.

The successful completion of Evry cathedral has spurred other church fund-raising projects to renovate dilapidated places of worship. Four cathedrals are being restored in the Paris region, and there is talk of building new ones in communities that lack a proper place to worship.



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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Diplomacy Is Not Enough

The United States and its partners in Yugoslav diplomacy are sweetening the terms they offer Serbia's Slobodan Milosevic to induce him to squeeze tighter the intransigent Bosnian Serbs. He would have to recognize Muslim-led Bosnia's borders — a sharp slap at Bosnian Serbian secession aims — and in return he would escape faster some of the sanctions punishing his economy. The effort is stomach-turning: Mr. Milosevic as much as anyone brought on Yugoslavia's agony. There must be limits on what he should get for doing something in his plain self-interest.

Anyway, this bit of desperation diplomacy is not enough. The Bosnian Serbs not only refuse to negotiate return of any part of their territorial conquests; they are killing civilians again, having renewed the siege of Sarajevo, a city of multicultural tolerance that they promise to capture and convert into ethnic ghettos. The Serbs are not the only marauders: The Muslim-led government's forces have recently burned Serbs' houses. But the Serbs are the main marauders and necessarily the prime target of international pressures.

The immediate requirement is to stop the Bosnian Serbs from using United Nations peacekeepers as hostages. This happens each time the UN military com-

mander asks for NATO air retaliation against Serb depredations: The UN political representative, Yasushi Akashi, says no, arguing that air strikes would only provoke new attacks on the peacekeepers. This force must end. It is time to remove the peacekeepers if that is what will stop their safety from being an excuse for allied inaction. This will risk creation of a humanitarian crisis. A stop-gap solution will have to be found.

Don't "strike," some say; instead "lift" the international embargo on sending arms to the Muslims. Senator Bob Dole says he means to introduce legislation compelling the United States to lift on its own. But the Muslims are getting arms elsewhere. The strike option is better. It is rooted in numerous UN resolutions and needs no further authorization. It represents a collective decision and does not isolate the United States from its partners as the Dole proposal would. It could be directed at specific missions, such as relieving Sarajevo. It could be done by relieving already on the scene. It could begin the minute the peacekeepers got out of the way, if not this afternoon. It could send the Bosnian Serbs the message of limits they have otherwise arrogantly refused to heed.

— THE WASHINGTON POST.

Cleaning House at the CIA

After years of anemic and lenient leadership, the CIA must be stunned by John Deutch. Since taking office earlier this month, the new director of central intelligence has cleaned out the upper echelons of agency management and set a new tone of responsibility and accountability. His first action was the appointment of a strong team of outsiders to help revitalize the demoralized agency. Unlike most of his predecessors, Mr. Deutch, the former U.S. deputy secretary of defense, wisely rejected the agency nostrum that only experienced intelligence executives can understand and run the CIA.

Directors who accepted that fiction, like Mr. Deutch's predecessor, James Woolsey, quickly became captive to the agency's stale traditions and inbred culture.

Mr. Deutch's choice for deputy director is George Tenet, formerly staff director of the Senate intelligence committee. His appointment is a clear signal that Mr. Deutch intends to deliver on his commitment to consult closely with Congress, not a tradition at the agency.

Nora Slattkin, a forceful, sometimes abrasive assistant navy secretary, will take over as executive director, the agency's third-ranking post. She will need all the experience she acquired as the navy's highest-ranking woman to tear down the insular world of the CIA, which has a dismal record in the promotion of women and minorities.

Dennis Box, brought from the Pentagon to handle CIA public affairs, inherits a legacy of disinformation and secrecy that will not yield easily to Mr.

Deutch's mandate to be more open.

For the most sensitive job — deputy director for operations — he is seeking the advice of a panel of retired government officials. This is the post that manages espionage activities and covert operations, the arena of the agency's most disturbing failures, including Aldrich Ames's betrayal to Moscow, the worst intelligence loss of the Cold War. A code of silence and self-protection has encouraged a tolerance for misconduct and a fierce resistance to change that have crippled the agency's espionage operations and overshadowed its achievements. Finding a strong, independent operations chief unimpaired by the old guard is essential to Mr. Deutch's efforts to refashion the CIA.

Mr. Deutch has yet to say much about reorganization of the CIA and the government's other intelligence agencies, which he also supervises. They have lacked a clear purpose since the collapse of the Soviet Union, while still managing to consume about \$28 billion a year. Neither the inertia nor the level of spending are acceptable at a time when severe budget cuts loom in domestic programs.

As Mr. Deutch begins work, an independent commission, which was headed by former Defense Secretary Les Aspin until his death Sunday, is reviewing the intelligence agencies. The ultimate test for Mr. Deutch and the commission, and eventually for President Bill Clinton and Congress, is whether they merely tinker with the established order or make the complete overhaul that is urgently needed.

— THE NEW YORK TIMES.

Remember 'Main Street'

For the first time in U.S. history, the short stretch of Pennsylvania Avenue in front of the White House known as "America's Main Street" has been made off-limits to traffic. President Bill Clinton said his decision to close the avenue was "practical" and a "responsible security step necessary to preserve our freedom, not part of a long-term restriction on our freedom." But the closing, as we understand it, is permanent and, like it or not, a concession to terrorism. It is a sad commentary on our times.

We in Washington will soon know if the predictions of a traffic nightmare on surrounding streets will come true. Police, fire and traffic experts have been scrambling to devise plans to prevent the heart of downtown Washington from becoming a parking lot. In addition to streets being closed and bus routes being revised, plans are on the drawing board to change street traffic patterns if circumstances warrant such drastic steps.

Commuters, city residents and tourists have much to cope with in the weeks ahead. In speaking of Pennsylvania Ave-

nue's new look with a proposed pedestrian plaza, William Webster, the former FBI and CIA director who served on the White House security advisory panel, said, "I'll bet if we do it right, no one will remember there ever was driving on Pennsylvania Avenue." With all due respect, we hope people will never forget. Closing Pennsylvania Avenue pulls the shades over a symbol of America's open democracy that has endured since the founding of the republic. Threat by threat, restriction by restriction, and inch by inch, we have seen a security-imposed divide separating the president from the people grow ever wider. With each new menace, security breach or terrorist fear a new set of conditions and boundaries is imposed between the people and the president and democratic symbols. Americans must never get used to that.

At some point, this open, democratic society can give no more. Closing off symbols of openness must be fully justified and not done, despite the risks, without public notice or discussion.

— THE WASHINGTON POST.

Other Comment

Beijing Flexes Its Muscle

Strategists count a number of potential flash points in Asia. The Spratly Islands may be moving toward the top of the list. Three years ago China promised to settle competing claims to the Spratlys by negotiations. Its recent behavior calls that agreement into question. Most compellingly, it has shown others in East Asia that it is ready and capable of asserting itself as an active —

indeed, as the dominant — regional power. The United States, along with the European Union, has called for a peaceful resolution of the Spratly dispute. What seems more likely is that China will use strength of arms to seize ever more of the territory. An East Asia that has long feared it might face a militarily revived Japan is slowly being made aware of what the more likely military threat in the region is.

— Los Angeles Times.

The Wrong Elections in a Spain in Need of Renewal

By William Pfaff

MADRID — On Sunday, the Spanish vote in what probably are the wrong elections for Spain today. The vote is for regional and municipal assemblies and offices, and while the result will have national significance, the country is in need of a national election to resolve an impasse with corrosive moral as well as social consequences for the country.

The problem is that the Socialist Party of Felipe González has been in power too long. It has been there since 1982,

After 13 years of Socialist rule, the country needs change.

and has undoubtedly done much for Spain, but it today is wasted not only by corruption and clientelism but by the accumulating weight of evidence that "death squad" operations against the murderous underground Basque separatist movement were authorized at very near the highest levels of the González government.

The result may be described as a crisis for Spanish socialism, which came to power claiming moral authority as voice of the people, and now has forfeited it. But the crisis is also to some degree one of Spain's international orientation.

There is logical as well as emotional appeal in employing the methods of terrorism against terrorists, but this subverts a nation in which the rule of law is supposed to prevail, and when it is combined

with widespread governmental corruption it leads the proposition that democracy itself is defective. Spain emerged only in 1975 from the long reactionary dictatorship of Francisco Franco.

If parliamentary elections were held today, polls say that the principal opposition party, the Popular Party, led by José María Aznar, would win an absolute majority of seats and could govern alone. However, parliamentary elections do not have to be held until two years from now.

Optimists among the opposition leaders believe that if the Socialists lose badly in these regional and local elections they will be forced to call national elections within 12 months. Prime Minister González relies on the support of Catalan nationalists to stay in office, and could be brought down if the Catalans decided that their interests lay elsewhere. However, Spain holds the revolving presidency of the European Union during the second half of this year, and this will provide a politically useful backdrop to the government's actions, and those of the prime minister.

Mr. González's rival, Mr. Aznar, is criticized as lacking the political charisma Mr. González possesses, but he was helped in this respect by the Basque separatists' blundering attempt to murder him with a bomb on April 19. He escaped, responded to the attack with grace and reaffirmed his opposition to Basque and other regional separatist movements. His friends are impatient for elections in which this sympathy could be transformed into seats in the

Cortes, but the electoral calendar is against them so long as the Catalans continue to sustain Mr. González.

The Popular Party combines Christian democratic and liberal influences (in the European sense of the latter term, which means commitment to business and market liberties as well as to civil liberties). It includes enthusiasts for such crank economic nostrums as the legal prohibition of government deficits and the Laffer curve (which says that lowered taxes automatically produce higher government income).

The economic situation actually is not bad, after going through a bad period. Growth this year is expected to exceed 3 percent, and the government expects it next year to be the highest in the European Union. Unemployment is the highest in Western Europe but has been coming down at a rate of a thousand new jobs a day (27,000 in the past year, in an active labor force of some 15 million). The peseta was devalued (again) in March but has since recovered the value it lost.

Hence the real arguments for government change are political and moral: that after nearly a decade and a half of Socialist rule the country needs the renewal and reinvention of putting the ins out and the outs in.

It needs new ideas as well. The Spanish are aware of the implications for them of what is happening to the European Union.

Spain, like Austria, belongs by political culture and history inside the inner core of Europe, made up of West European countries dominated since the war by Christian Democrats and Social

Democrats — the Benelux three, Germany, France and Italy. The Europe of 12 members was already unwieldy. Today's, of 15 members, has become even more awkward, stretching from Protestant Scandinavia and Finland to Orthodox Greece, Poland, the Czech Republic and Hungary now are at the Union's door, and other East European countries have premembership agreements.

There are a great many unanswered, and even unasked, questions about what such an expansion implies for "Europe" as it presently is conceived. The immediate problem the Spanish see is that the Union's attention now is on the east, while their country, still relatively poor by West European standards, stretches out into the Atlantic on Europe's far west. Its own attention is on Islamic North Africa, whose refugees and political exiles infiltrate Spain's long Mediterranean coast.

The isolationist temptation exists. Isolation was Spain's reality for the greater part of the century, since the United States blew the Spanish navy out of Caribbean and East Asian waters in 1898, and took over Spain's empire.

It may not today be a rational alternative, but the present contradictions within the European Union, and the conflict between the officially proclaimed goal of European federal union and the reality of relations among its 15 members (with more on the way), will have to be settled before the Spanish can really know where they are going.

International Herald Tribune.
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Cuba: A More Cogent U.S. Policy Would Begin With Communication

By Gillian Gunn

WASHINGTON — The Clinton administration's decision earlier this month to simultaneously admit Cuban refugees from Guantánamo and repatriate future boat people has revolutionized the context in which U.S.-Cuba policy is formulated.

Reaction to the decision demonstrates that anti-migration sentiment now outweighs anti-Castro sentiment, even in South Florida. The choking grip of the conservative Cuban-American community has been loosened.

While the door to a new U.S. policy toward Cuba has been opened, however, President Bill Clinton is standing ambivalently on the threshold. Mr. Clinton was unprepared for the domestic political repercussions of his decision: Irate Cubans blocking traffic in Miami and raging Republicans crying betrayal on Capitol Hill. If he does not take the next logical step, the Cuba issue could damage his campaign for a second term. Backsliding could also jeopardize the prospects for a peaceful transition in Cuba itself.

The new political landscape on Cuba is shaped by the forces that led to the May 2 agreement. Over the last few months, Mr. Clinton has realized that the policy he hurriedly adopted nine months ago to stem the Cuban "rafters" emergency was becoming unsustainable. Pentagon officials informed him that the 20,000-plus would-be Cuban migrants detained since August at the U.S. base at Guantánamo Bay were likely to riot as the summer sun transformed boredom into anger. The Pentagon further reported that the \$1 million per day cost of the camps would erode U.S. military preparedness.

Mr. Clinton's advisers understood that they could not simply

admit the Guantánamo detainees. That would "remagnetize" Florida for restless Cubans. And if Washington stimulated migration, Fidel Castro declared that his coast guard would not stop the rafters. Ominously, U.S. intelligence judged that the Cuban regime might not be able to control another migration surge.

Meanwhile, Mr. Clinton's campaign aides were concluding that immigration would be a hot issue in 1996. A Florida version of California's Proposition 187, which denies state services to illegal immigrants, was gaining support. As Mr. Clinton cast about for a solution, two Florida Democrats, Senator Bob Graham and Governor Lawton Chiles, suggested that admission of Guantánamo detainees be coupled with repatriation of new arrivals.

The ideas were then explored by Peter Tarnoff, the undersecretary of state for political affairs, in discussions in New York and Toronto with Ricardo Alarón, president of the Cuban Parliament. The talks were held in secret for fear rumors of an impending deal would trigger a last-minute surge of migrants seeking to crash Guantánamo's gates.

Unlike in the August 1994 crisis, the leadership of the Cuban-American National Foundation was not briefed daily but merely informed shortly before the accord was announced to the press. Mr. Clinton's team believed that Cuban-American pleasure over admission of Guantánamo refugees would outweigh criticism of repatriation. They guessed wrong.

Conservative Cuban-Americans reacted with fury, saying the accord legitimizes the Cuban govern-

ment and sends refugees back to political persecution. Senator Jesse Helms of North Carolina, chairman of the Senate Foreign Relations Committee, is now planning to introduce legislation prohibiting secret negotiations between the Cuban and U.S. governments.

The conservative rage is understandable. The Cuban-American National Foundation and Mr. Helms recognize what Mr. Clinton still has not entirely grasped — that it is illogical to tighten an embargo against a country Washington has just deemed decent enough that repatriation can be conducted in good conscience.

The actions of the far right could backfire. The virulence of the campaign against Mr. Clinton makes it easier for others to argue for Havana-Washington dialogue. Most of the president's advisers now advocate a "burned bridges" strategy. Mr. Clinton cannot reverse the repatriation measure, they argue, without triggering a huge outflow of migrants. Reversal would not win back the most extreme Cuban-Americans, for they will never trust him again, and he would lose the credit gained with a larger electoral sector concerned about illegal migration. Now is an ideal time for him to act like a statesman, they argue, to correct the impression that he blows with the political wind.

Yet Mr. Clinton remains ambivalent. While he apparently has accepted that the migration accord cannot be reversed, he is considering ways to placate conservatives with an anti-Castro gesture.

Mr. Clinton is reluctant to use the new freedom from far-right pressure to implement overlooked aspects of the 1992 Cuban

Democracy Act. That bill, which he supported in his last campaign, tightened the embargo but also called for "carefully calibrated responses" to positive Cuban developments — a basic carrot-and-stick approach.

If Mr. Clinton continues to stall — if the new repatriation policy is not paired with a shift from confrontation to communication —

Civil conflict in Cuba would cause out-migration pressure to escalate still further, make repatriation harder to justify and alarm U.S. allies in the region. Even if such conflict eventually ushered in a pro-U.S. government, the legacy of violence would militate against the political tolerance required for democratic development.



The White House could be faced with two scenarios, both damaging to the president's re-election prospects and to U.S. interests.

One possibility is another immigration crisis. Should economic conditions continue to deteriorate in Cuba, refugees eventually will set out to sea again, hoping to meet the new, stricter standards for political asylum.

Large numbers would overwhelm U.S. diplomats in Havana who the accord holds responsible for monitoring the welfare of returnees within Cuba. If the bureaucracy is flooded, Mr. Clinton will face a dismal choice. He can send refugees back to Cuba without monitoring — a campaign-damaging violation of the accord. Or he can admit more refugees to the United States once again, and antagonize anti-immigrant voters.

A second scenario is civil war. If the repatriation agreement holds up while economic conditions deteriorate in Cuba, political tensions on the island could become explosive. Deprived of the migration safety valve, Cuban authorities might find it harder to avoid turning their guns on their own people. Fear of retribution by a successor regime, if nothing else, will guarantee a portion of the Cuban security apparatus remains loyal to Mr. Castro.

To avoid these scenarios, Mr. Clinton does not need initially to lift the embargo. He could authorize the reciprocal opening of press bureaus in Cuba and the United States. He could offer greater assistance to Cuban nongovernmental organizations, establish direct mail service and lift the 1994 restriction on family remittances. All these measures could be implemented within present law. While they would improve living conditions only modestly, they would give the Cuban people some hope that they can eventually make a better life without fleeing. Equally importantly, they would signal to the Cuban government that incremental reform will now be rewarded.

And just as such people-to-people measures helped broaden political horizons and weakened central control in Eastern Europe and Russia, a policy of communication with the Cubans would strengthen civil society and create a context conducive to peaceful transition. Should changed domestic Cuban circumstances then lead to significant political reforms, the embargo itself could be put on the table.

The writer is director of the Georgetown University Cuba Project. She contributed this comment to The Washington Post.

Guns for All? A Modest Proposal

By Edwin M. Yoder Jr.

WASHINGTON — The National Rifle Association's infamous fund-raising letter attacking Treasury Department firearms agents as "jackbooted thugs" has ignited a richly hypocritical exchange between the NRA and its critics — enough sanctimonious humbug to last a lifetime.

Why don't we simply admit that we are glad that the executive secretary of the NRA, Wayne LaPierre, put his foot in it? The organization's cards are at last on the table for all to see. Mr. LaPierre's candor has alerted the American public to the NRA's single-minded willingness to sacrifice good sense, community responsibility, even safety, to the preservation of a constitutional fiction.

That constitutional fiction is the proposition that the Second Amendment ("A well-regulated militia, being necessary to the security of a free State, the right of the people to keep and bear arms shall not be infringed") confers a personal right to the unregulated possession of any and all firearms, up to and including bazookas. So tireless is the NRA's propagandizing that even President Bill Clinton speaks loosely of "the right to bear arms," as if that "right" could be severed from its all-important historical context.

The NRA ignores the inconvenient significance of the clause that precedes it and clearly conditions its meaning

— the lines about a "well-regulated militia" and the "security of a free State." No wonder. The words reflect a history that doesn't fit the NRA caricature.

When Congress framed the Bill of Rights in the 1790s, memories of the Redcoat occupation of Boston remained fresh. Some oppressive acts of which the Declaration of Independence accused King George III were as exaggerated as an NRA fund-raising letter; others were altogether fictitious.

But the point is that this folk memory, however questionable its accuracy, reinforced a strong 18th century prejudice, in England and its colonies, for citizen militias and against standing armies. Professional armies — "the brutal and licentious soldiery," as Edmund Burke called them — had been used, over and over again, to oppress the citizenry. But the English gentry had other reasons for preferring militias. Militias were cheaper. By undertaking citizen military responsibilities, and a few weeks of drill every year, the landed gentlemen of England gave the Crown less excuse to tax their broad acres to support professional armies.

This is boilerplate 18th century history, and it is amazing that the NRA has managed to obscure its glaring pertinence to the meaning of the Second Amendment. The militia tradition, reinforced by the myth of George III's high-handed treatment of the American colonies, was carried over intact into the Second Amendment. It never was intended to license private gunplay. As the prefatory clause again makes clear, the issue in the framers' minds was not the

personal possession of firearms but "the security of a free State," meaning the community itself, against central authority.

Even so, constitutional liberties might argue that the U.S. Constitution has "evolved" so that the Second Amendment has assumed a different meaning in two centuries of American experience. I know of no Supreme Court ruling, or comment by any jurist of note, to that effect — though I am familiar with public remarks by several former Supreme Court members, including the retired justices Lewis Powell and Warren E. Burger, to the contrary. But the NRA cannot consistently beat the drums for its own inelastic reading of the Second Amendment while arguing that the meaning changes with the years.

Does that mean that the NRA's gun enthusiasts must be gunless? Not at all. In fact, I like the proposal I heard from an old friend of mine the other day. "Why not," he said, "concede that NRA members who wish to do so have a literal 'right to keep and bear arms,' but stick to the true original intent of the Second Amendment and restrict the arms to those we know the framers of the Second Amendment could have intended? I see no harm in it," he said, "if Mr. LaPierre and others want to carry flintlock muskets about with them — or even Revolutionary-era cannon in their pickup trucks. They aren't concealable and, unlike assault weapons, they would pose no threat to law-enforcement officers."

It is a droll and splendid suggestion, yet another reason for being thankful that Wayne LaPierre brought the subject up. Let's keep talking.

Washington Post Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Bonds in Africa

PARIS — [The Herald says in an editorial:] Since Kaiser Wilhelm's master-stroke of policy in forcing a German combination on France and Russia in the Far East, bonds of sympathy between Berlin and Paris seem to have unconsciously sprung into existence. The meeting-ground of this new-found friendship is mutual jealousy of England's ambitions in Africa. Germany has taken up the cause of the down-trodden Boer, and France is to help her in uplifting this brother-Teuton, and helping him to realize his long-felt craving for a seaport.

1920: A Joint Memorial

PARIS — The American Committee has been gratified to learn that the French Government would officially associate with Americans in rendering honors to

the dead. The news of this generous and tactful action on the part of the French, at a time when the troubles of their own country might well have occupied all their attention, has been deeply appreciated by Americans in Europe and also in the United States.

1945: Europe's Health

SUPREME HEADQUARTERS: Allied Expeditionary Force — Major General Warren Fales Draper, Deputy Surgeon General of the United States Public Health Service, announced today [May 22] that, despite all the belated tightening caused by the war, health conditions in the liberated countries, particularly France and Belgium, are approaching the status that existed before the war. Public health in France reached a low ebb in 1940, but improved under the German occupation and now is about the same as in 1939.

International Herald Tribune

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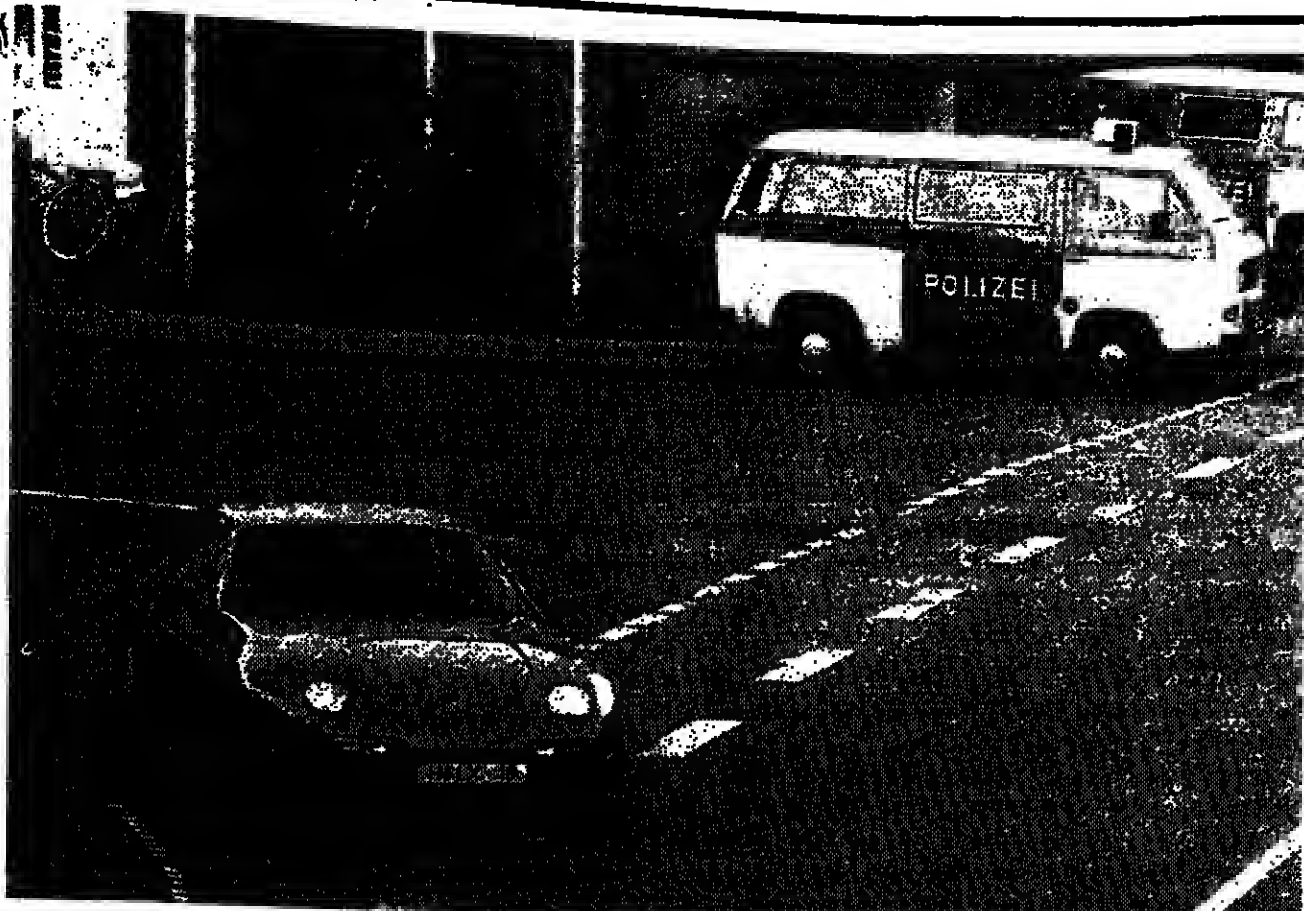
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EUROPE



Police vans standing by in Celle as two German prison escapees and a guard they took hostage passed in a car.

2 Flee German Prison With a Hostage

BONN — A guard taken hostage by two prison escapees pleaded with the police Monday to stop pursuing them as they crossed northern Germany in a Porsche.

"A helicopter keeps circling over us. The police have to go!" the captive told Germany's N-TV television network in an interview over the Porsche's mobile telephone. Police cars were also tailing the fugitives.

The escapees said they would release their hostage if the police called off the chase.

"As soon as the helicopters are gone and we feel safe we will let our hostage go," one of the convicts, Günther Finneisen, 37, told N-TV.

The police issued a warning to the public to stay away from the men, whom they said were armed, dangerous and

infected HIV, the virus that causes AIDS.

Mr. Finneisen and Peter Strüding, 38, overpowered a guard at their prison in Celle, near Hannover, on Sunday, using weapons they had made themselves. They took the guard, 35, hostage and demanded a Porsche.

The convicts, who had been in jail since 1979, also demanded 200,000 Deutsche marks (\$140,000) in cash, but the police did not say whether they got the money.

Mr. Finneisen told N-TV that he and Mr. Strüding were armed and that he had no intention of returning to prison.

"I'd rather be killed by a bullet than die slowly behind walls," he said.

He said they had been driving all night, stopping on the highway for fuel and food.

Mr. Strüding was jailed for attempted manslaughter in 1979. Mr. Finneisen was being held for robbery and fraud.

Germany sees itself as less crime-ridden than the United States, but hostage dramas have become more frequent in recent years. In November, two escaped convicts robbed a bank, grabbed hostages and led the police through six German states before they were caught. In 1988, two teenage hostages were killed by bank robbers who hijacked a bus to the Netherlands.

This latest episode is like an escape pulled off by Mr. Strüding 11 years ago to the day at the same prison. On May 21, 1984, he used a homemade shotgun to overwhelm a guard. He and another prisoner were permitted to flee in a getaway car and were arrested the next day in Bremen.

(AP, Reuters)

Magistrates New Step in French Blood Case

Vow to Keep Pressure on Renault Chief, Who Served Fabius, Is Indicted

Rome

ROME — Italy's top anti-corruption investigator, accused of acting politically in seeking to bring former Prime Minister Silvio Berlusconi to trial, vowed Monday to press on despite new scrutiny of his work practices.

Francesco Saverio Borrelli, Milan's chief public prosecutor, said he and his colleagues would continue their efforts to uncover political corruption despite a new official inspection of their investigative methods.

The inquiry was ordered by Justice Minister Filippo Mancuso. He has alleged that Mr. Borrelli and three magistrates intimidated a similar team sent in last year by Mr. Berlusconi's government.

In an interview with *Il Giornale*, Mr. Borrelli denied that any intimidation took place and said the request to bring Mr. Berlusconi to trial was not a show of force, as some of the media mogul's allies have contended.

A dispute surrounding the timing of the trial request continued as Mr. Berlusconi's lawyer said he was considering asking for an inquiry into whether the magistrates had disclosed details to the media in violation of secrecy laws.

"We will reconstruct the events leading up to the request for a trial, which we do not yet have and which we only learned about from the newspapers, and then we will decide," the attorney, Ennio Amodio, told reporters at Milan's courthouse.

The examining magistrate, Fabio Paparella, who was assigned to the case Monday, scheduled a preliminary hearing for June 12. It will be up to him to decide whether there is enough evidence to put Mr. Berlusconi on trial.

Mr. Berlusconi confirmed Saturday that the Borrelli team was seeking to bring him to trial, but he claimed they had no evidence, only a "trail of political and personal prejudice."

He says he knew nothing about payments that corrupt officers coerced the companies into giving, totaling \$200,000.

The Associated Press

PARIS — The chairman of the French automaker Renault has been indicted in the long-running investigation of government responsibility for AIDS-tainted blood, Renault said Monday.

Louis Schweitzer, head of the automaker since 1992, was chief of staff to Laurent Fabius, then prime minister, in 1985 when blood contaminated with HIV was knowingly distributed through state-run blood banks. More than 1,200 hemophiliacs were infected with the virus, which causes AIDS, and more than 400 have died.

Mr. Fabius, his former health minister, Edmond Hervé, and his former social affairs minister, Georgina Dufoux, were indicted last year for complicity in poisoning. No decision has been made about when a trial might start. The charges could bring a 30-year prison sentence.

A brief communiqué from Renault quoted Mr. Schweitzer, 53, as saying, "I hope that justice and the truth will emerge from the judicial procedures under way."

The decision to charge the former government officials followed two years of campaigning by hemophiliacs and their families seeking government accountability.

Four former health officials, including Michel Garretta, the doctor who headed the National Center for Blood Transfusion in 1985, were convicted on other charges. Dr. Garretta was released last week after serving more than half of his four-year sentence.

The victims maintained that the Fabius government chose not to purchase U.S. technology to cleanse the tainted blood or to buy an Ameri-

can AIDS test to screen blood donors. A French test was being developed at the time.

Mr. Fabius, prime minister from 1984 to 1986, said he had made the necessary decisions about blood screening as rapidly as possible, "at a time when the disease was underestimated."

The scandal arose from revelations that blood products contaminated with HIV were knowingly administered to hemophiliacs in 1985 by the blood transfusion center.

The former ministers say their likely prosecution will allow them a chance to clear their names and prove that they never knowingly approved the use of tainted blood.

Mr. Schweitzer's great-uncle was Albert Schweitzer, the famed medical missionary.

Minister's Firing Urged

The militant AIDS awareness group Act-Up urged President Jacques Chirac on Monday to dismiss the newly appointed health minister, Elisabeth Hubert, saying she had a prejudice against homosexuals. Reuters reported from Paris.

Act-Up, known for spectacular protests accusing the government of indifference to AIDS sufferers, asked Mr. Chirac to fire Ms. Hubert, Education Minister Francois Bayrou and Xavier Emmanuelli, secretary of state for Emergency Humanitarian Action.

"Act-Up Paris has met often with Ms. Hubert and we know she is in favor of compulsory AIDS testing, we know she refuses welfare protection for the children of foreigners and we know that she is homophobic," the group said.

Renewed Sarajevo Strife Kills 3

Reuters

SARAJEVO — Three people died and four were wounded in shelling and sniping in Sarajevo on Monday and Bosnian Serbs seized weapons from a United Nations arms depot in the Bosnian capital.

The Serbs took a 120mm mortar and a 105mm artillery piece at gunpoint and threatened a French unit that tried to stop them, a UN spokesman said.

The weapons dump was one of several established last year after the United Nations banned big guns from a 20 kilometer (12 mile) radius of the center of Sarajevo. The zone has been breached in recent weeks with increasing frequency, both by Bosnian government troops and the besieging Serbs.

Fighting was reported in several areas of Bosnia as well as in Sarajevo, where the level of sniping has forced the rebuild-

ing of barricades to enable civilians to move around.

They included a Croatian enclave near a vital Serbian supply route in northern Bosnia; the northwestern Bihac area, where government forces pushed back besieging Serbs last week, and the southwestern Livno plain, where Serbs are fighting Croats.

Diplomats said President Slobodan Milosevic of Serbia was close to recognizing Bosnia's international borders in return for the suspension of some UN sanctions.

"The signs are that this time Milosevic will bite and make a deal," a European diplomat said. "We will know within a day or two."

The U.S. envoy, Robert Frasure, has been holding talks with Mr. Milosevic since last week in an attempt to clinch the agreement, which could help end the three-year-old war.

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Pope Questions Poland's Moral Path

SKOCZOW, Poland — Pope John Paul II, making a nostalgic visit home, said Monday that Poland was allowing the spoils of their post-Communist freedom to be eroded by moral decay.

"I embrace my entire homeland with the eyes of my soul," the Pope, 75, told 250,000 Poles attending an outdoor Mass in this town in southwest Poland, the area in which he was born and served as priest and bishop. But he wasted no time in declaring that he was worried about the course the country was taking six years after casting off communism.

"Newfound freedom has awakened many good initiatives in the nation," the Pope, whose previous visits helped shape the history of the country, told the largest crowd he has drawn during his trip through Eastern Europe. But, he added, "Our homeland is facing many difficult social, economic and political problems."

He said the transformation of Poland's society and economy had incurred high costs, including unemployment and economic hardships for families. "The most important of all, however, remains the problem of a just moral order, which is the foundation of every individual's life and the life of every society," he said.

As he spoke on a cold and damp day, the crowd waved Polish flags and banners of the Solidarity trade union, which had fought the Communists. His tough language echoed that of his earlier trips, when he injected Poles with the courage to resist party leaders.

German Court To Issue Decision On Spy Sentences

BONN — Germany's Federal Constitutional Court in Karlsruhe is expected to issue a long-awaited ruling Tuesday on whether East German spies can be jailed for Cold War espionage against West Germany before unification in 1990.

The court will decide whether senior East German spies, their Communist state now absorbed by its former capitalist adversary, can legally be tried for betraying a country of which they were not citizens.

Apart from the legendary spy Markus Wolf, who ran Eastern Europe's most efficient espionage machine for decades, the ruling could affect dozens of other former Communist intelligence officials tried for treason since unification. It comes four years after the court was first asked to rule on the status of East German agents, who pirated state secrets from the West.

While the Pope remains widely admired in Poland, the Roman Catholic Church has become a focus of debate. "The church has been stepping outside its bounds by increasing its presence in schools and the army and by securing a tough abortion law."

Parliament is delaying ratification of a concordat between Poland and the Vatican signed by an earlier government.

Some leftists say the treaty, which granted the church some privileges while giving the Polish state some influence over church affairs, should be renegotiated or scrapped. There is also fierce debate on how a new constitution, now being drafted, should define the church's role.

The Pope discussed what Polish bishops say is mounting anti-clericalism in the country, denouncing what he called a tendency to push believers to society's sidelines.

Religion, the Pope said, could not be excluded from a major role in helping to shape

Poland's future. The former Communists supplanted the pro-Catholic centrist government in parliamentary elections in September 1993. President

Lech Walesa, a staunch Catholic with slumping poll ratings, will probably face a former Communist in his bid for reelection this year.

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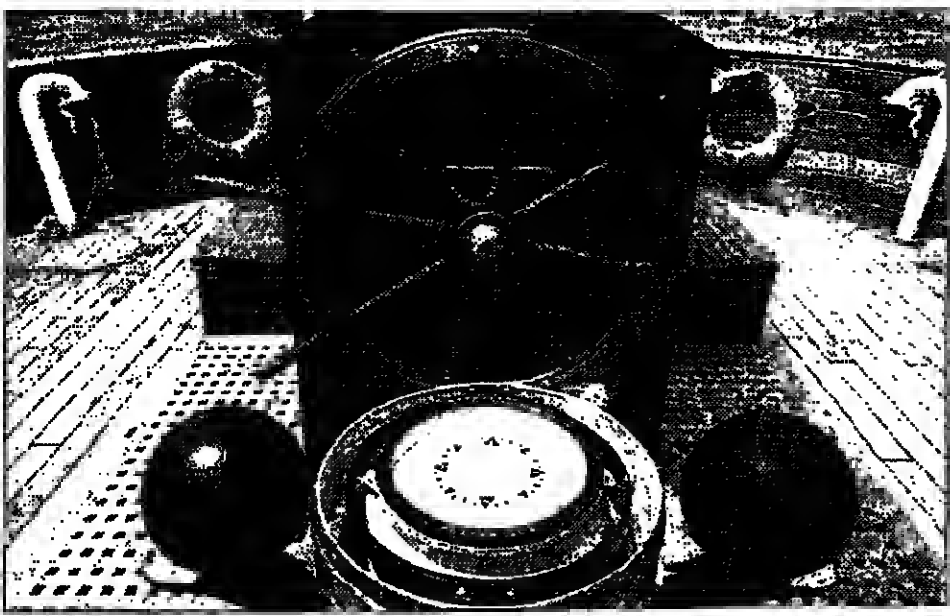
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The International Herald Tribune and the European Federation of Financial Analysts' Societies have gathered a distinguished group of government, business and finance leaders to address this high level meeting focusing on trade and investment opportunities in Southern Africa. They include:

- NELSON MANDELA, President of South Africa
- H.E. SIR KETUMILE MASIRE, President of Botswana and President of the Southern African Development Community
- ARISTON CHAMBATTI, Chairman and Chief Executive, TA Holdings
- SOL KERZNER, Chairman, Sun International
- CHRIS LIEBENBERG, Minister of Finance, South Africa
- GRAHAM MACKAY, Chief Operating Executive, South African Breweries
- DR. JOHN MAREE, Chairman, Eskom
- DR. BINGU MUTHARIKA, Secretary General, COMESA
- JAY NAIDOO, Minister without Portfolio with Responsibility for the RDP, South Africa
- RONALD PENZA, Minister of Finance, Zambia
- CHRIS STALS, Governor, Reserve Bank of South Africa
- LL. TSUMBA, Governor, Reserve Bank of Zimbabwe

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Herald Tribune
THE WORLD'S LEADING NEWSPAPER



SMOOTH SAILING AHEAD: YACHTING COMES OF AGE

From brokerage to boatyards, every aspect of yachting is picking up.

International yachting has been riding a crest of increasing demand over the past few years, despite world recessionary trends that seem only now to be dissipating.

While yachting remains one of the last great tourist escapes for people who value independence, it is becoming more and more mingled with professional activities as the affluent or near-affluent entertain on their own yachts for business reasons.

With the changing character of yachting and increasing demand, this once cottage industry has matured into a vastly more competitive sector. Smaller companies like the 900 members that form the Netherlands' dynamic National Association of Watersport Industries (NVAWI) are linking up to produce better economies of scale and increase competitiveness, and they have aggressive marketing programs.

This maturing has reached down through the industry, from brokerage and advertising to boatyards and even parts suppliers.

Specialization
Specialized companies have sprung up to service deepening demand. Owners of the private luxury yachts that predominate in the South of France, for instance, can turn over the day-to-day management of their boats to expert companies like Côte d'Azur Management Yachting.

For people who do not own yachts, increasingly well-organized yacht charterers like Silversea Cruises

organize all-inclusive yachting holidays on small bareboat yachts or large-crew yachts with luxurious amenities. Yachting itself represents one of the world's oldest pleasure pastimes. Testimony to this is the America's Cup, spawned in 1851 when the schooner "America" defeated the British fleet in the historic 100 Guinea Cup around the Isle of Wight.

Caretaker of the oldest sporting trophy in the world, America's Cup began its finals this year on May 6, pitting the New Zealand team against the American team, Swiss watchmaker Omega, Team New Zealand's offi-

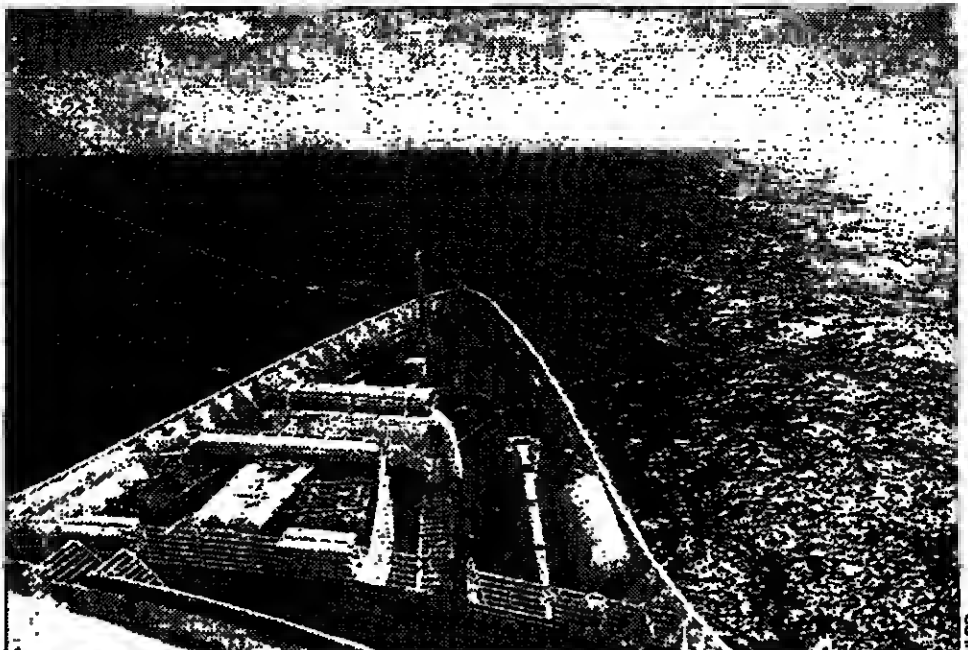
cial watch supplier and official timekeeper of the world's most famous regattas, predicted that the big prize would go to hardworking Team New Zealand, which scored a stunning 5-0 sweep in the finals to win yachting's grandest prize.

While now on the fringes of fiscal, construction and safety regulations, particularly in Europe, yacht ownership over the next five years will lose many of its traditional tax privileges and face possibly stricter and more standardized regulations, writes Pierre Mestre, vice president of the Mediterranean Institute of Maritime Transport.

Active holidays
The picture for the business of renting or chartering yachts is also in a state of flux. In Greece, for instance, chartering plummeted when the Gulf War seemed to place holiday coasts in peril. But the natural increase in demand for active holidays like yachting resulted in 18,000 charters in Greece in 1994, a 15 percent increase over 1993 and a nearly 100 percent increase over 1991, according to Michael Skoulidakis, managing director of Athens-based Verinos Yachts and president of the Greek Yacht Brokers and Consultants Organization. He says that the lion's share of European bareboat yacht chartering is in Greece, which rents out some 4,000 yachts every summer. European luxury yacht charters, however, are mainly around the Côte d'Azur, which has about 250 super-yachts renting out for about \$5,000 a day for an average of 14 to 49 days a year and generating a total annual income of \$17 million to \$60 million. Marinas all along the northern Mediterranean rim have mushroomed since the early 1980s. For every aspect of global yachting, the trend upward is expected to continue. Across the industry, growth has become the norm.

Carol Reed

YACHTING



Yachting is luring more and more would-be sailors, inspired by such exploits as this year's America's Cup win by Team New Zealand (above right).



SEARCHING FOR PARADISE, FAR AWAY FROM IT ALL

Exotic destinations are much in demand; the Seychelles islands are high on most travelers' lists this year.

A yacht charter offers comfort, flexibility, freedom, privacy and, above all, great value for money. The industry has always said that yacht charter is the ultimate vacation, and it is now increasingly accessible — particularly in the large-yacht range, complete with five-star crew — to the "ordinary person."

Until very recently, large yachts tended to stay near the world's yachting centers, like Cannes in the south of France or Fort Lauderdale in Florida.

These traditional charter areas are being upstaged by new destinations, partly because the more adventurous travelers — and the cognoscenti — are venturing from familiar areas to more exotic locations for their vacations, and partly because of the impressive strides made in yacht technology and design.

Today, the technologically advanced super-yacht can cover long distances in comfort, speed and safety.

State-of-the-art systems
Piracy, formerly a common hazard on many seas, is strongly discouraged by state-of-the-art surveillance cameras, now a prerequisite on the super-yacht. Cameras are linked to main security systems and include in-hull 360-degree swivel cameras focusing up to 100 feet (30 meters) underwater. Satellite communications are so up-to-date that even when cruising in the middle of the Pacific, business ex-

ecutives can contact the office as if they were next door, and the cost of doing so has dropped dramatically. In addition, radar and other navigational aids are as sophisticated as those found in modern warships.

Sophistication does not stop there. Most super-yachts are equipped with

and cons of new destinations. While there is undoubtedly still much excitement to be found in visiting the familiar haunts of the Mediterranean or the enjoyable cruising grounds of the Caribbean, there are now an extraordinary number of quality yachts available for charter in unusual places.

joy the best in lobster dining

Much farther south, the tropics of Belize offer a quiet soak in the sun. This tiny country boasts the second-largest barrier reef in the world, with spectacular diving and equally spectacular rain forests. The east coast of Mexico offers everything from Yucatan resort

These pristine islands — all 125 of them — are pure paradise. It is a true get-away-from-it-all place with blissfully little to do except unwind.

Sailing across the Indian Ocean from the Seychelles toward the east coast of Africa, sailors stumble on the island of Aldabra, the



Sailors are seeking new frontiers, from the tropics to Antarctica (above).

water makers that can produce fresh water constantly, as well as walk-in freezers and refrigerators that supply quality provisions for weeks on end. (Naturally, whenever a chef can benefit from produce in local markets, he will.)

In addition, wine "cellars" are fully stocked with wines kept at just the right temperature. Yachts today take a lot more fuel on board than they used to, and they also carry a good stock of items that might be required for necessary repairs.

Word of mouth
As captain, crew and guests explore new areas, their discoveries are passed on. Word-of-mouth opinions inform yacht owners, captains and charterers about the pros

Those who are tired of the "been there, done that, bought the T-shirt" syndrome and even those who just want to get away from it all will find these alternative locations immensely appealing.

One alternative is a summer cruise in Alaska. Apparently the best way to view the photogenic landscape of the blue and wintry Glacier Bay — with its myriad animals, ranging from harbor seals to whales — is from the water.

An autumn cruise along the northeastern U.S. shore is another possibility. One could start with shopping in Manhattan, followed by a weekend on Nantucket Island and then a sail up to New England to watch the leaves change color and en-

nightlife to Mayan ruins and pyramids hidden in dense jungle.

Thousands of islands

For the more adventurous, there is always a cruise up the Amazon, where one can view the most primitive of lands from the comfort of an air-conditioned saloon.

Polynesia offers so much that voyagers need to be selective about their itinerary. The South Seas are incredibly vast, encompassing thousands of islands, from the kingdom of Tonga in the west to the Marquesas in French Polynesia to tiny Pitcairn Island, one of history's stranger places.

This year's hot spot
The hot spot this year, though, is the Seychelles.

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Sara Montefiore



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July 1995

OPINION/LETTERS

Seized by the 'Four Fears,'
Which Way Will China Go?

By William Safire

WASHINGTON — The television series soaring in popularity in China is about the exploits of Bao Qing Tian, a magistrate of the Song Dynasty. This legendary judge of a thousand years ago is shown dispensing evenhanded justice, punishing wrongdoers and exposing lawless government officials. The TV series is produced in Taiwan but can be seen in mainland China because it seems to be politically noncontroversial.

What makes the show such a hit, however, is its implicit criticism of corruption on high. Such kickback economics is rampant in China.

The post-Deng convulsion will determine whether China heads toward democratic stability or an eventual civil war.

making millionaires out of relatives of Communist leaders, Deng Xiaoping's son famously included.

That is one tea leaf in the reading of the rising tide of popular resentment in the world's most populous nation. China today is showing all the signs of being on the brink of a major upheaval.

On the eve of the sixth anniversary of the repression of freedom in Beijing's Tiananmen Square, long-time dissidents are being rounded up; scholarly signs of dissent are being harassed and jailed; designated "troublemakers" from all over China are being denied entry to the capital.

As Deng Xiaoping prepares to "meet Marx," the sclerotic regime he leaves behind — embracing the dangerous excesses of capitalism without its saving freedoms — is left to face the "four fears."

First is the average Chinese consumer's fear of being robbed by inflation, now over 20 percent — which means that half of what he saves disappears after four years.

The economic chief, Zhu Rongji, once a reformist who Richard Nixon thought might become the savior of China, has reverted to regulation, central control and protection of state-owned defense monopolies.

Second is the workers' fear of growing unemployment — communist capitalism's dirty secret, especially away from the prosperous coastal regions.

Third is the peasants' fear of losing their land to the state, which has been using the threat of land reform to force them to sell their land to the state.

Fourth is the intellectuals' fear of losing their status and freedom of expression, which has been used to force them to sell their work to the state.

These four fears are the result of the government's failure to reform the economy and to protect the rights of its citizens.

Without reform, China will continue to face these four fears, and the country will remain in a state of economic and political stagnation.

China needs to reform its economy and to protect the rights of its citizens in order to achieve democratic stability and to avoid an eventual civil war.

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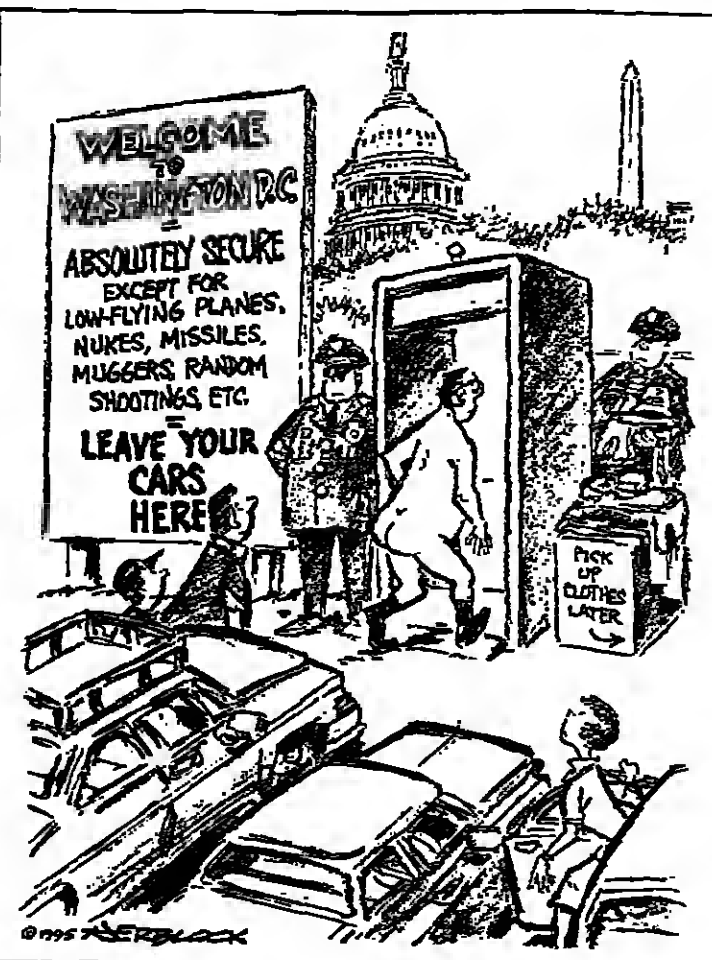
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Reflections in the Polished Granite

By Kerry Gruson

MIAMI — Vernon Silver, a 26-year-old colleague, was telling me about his recent trip to Vietnam. He had gone because he was curious to find out about a place that he had known only as an era, through music, books and movies.

In 1974, when I was 26, I too had been on my way to Vietnam. My mission, for that is how I saw it, was to report about how America was still financially and thus morally involved in the war over there. Be-

with a group of college students from Kentucky. They were on a school trip. Though some had no memory of the "76 Bicentennial Celebration, they were interested in the Vietnam War. "They felt connected, even if only through Hollywood," Vernon told me.

My own quest was cut short in Hawaii, on my way across the Pacific. I was strangled and left for dead by a Vietnam veteran I was interviewing, a former Green Beret who had a flashback. He thought I was a Viet Cong. He was found not guilty by reason of temporary insanity and spent six months in a mental hospital. I survived, but with permanent damage. I am confined to a wheelchair, my limbs are rigid and my movements are jerky; my voice is unnaturally soft, so people find it hard to understand me.

Vernon asked me, "Do you consider yourself a war victim?" Even though I never made it to Southeast Asia, I feel that both my attacker and I are victims of that conflict. But we are far from alone.

My college roommate, Tally Craig, left Harvard for California right after graduating. She has a terrific legal mind. Yet it took her 15 years in the

wilderness, wandering from one dead-end job to the next, before at age 37 she went to law school. Today, she shakes her head when asked if she will become a judge. "That would be directly upholding the bureaucracy," she says. "As a child of the '60s I just can't do that."

Twenty years ago the North Vietnamese entered what was then known as Saigon, bringing that conflict to a close. However, the remarkable outburst of anger and anguish released by Robert McNamara's admission that American involvement in the fighting was pointless is but one sign of how deep and how fresh the psychic wounds remain.

On this anniversary the focus has been on our generation, combatants as well as nonbattlefield combatants. What time has truly borne out is the broad range of the war's impact. At the Vietnam War Memorial in Washington, one of the most moving monuments to human destruction, the high stems of the granite reflects the visitors' images: multiethnic, rich and poor, young and old. The perfect metaphor. We were all touched, and hurt, one way or another.

The writer is a news assistant in the New York Times Miami bureau. She contributed this column to the International Herald Tribune.

MEANWHILE

cause U.S. troops had been withdrawn and there were no more body bags returning, Vietnam was no longer on the front pages or the dinner-time news. Because I went to an Ivy League college straight from high school in England, I did not know anyone who died in Vietnam. Nonetheless, I brimmed with the youthful arrogance of my generation. We could change the world. After all, hadn't we toppled a president of the United States?

My colleague Vernon arrived at the Ho Chi Minh City airport and was surprised that "this dusty little town changed a generation." He spent his time there partying at Apocalypse Now, a downtown bar.

LETTERS TO THE EDITOR

Prosecute the Criminals

The analysis of the war in the former Yugoslavia put forward by Flora Lewis ("Ex-Yugoslavia: Seek Compromise and Stop Faking," *Opinion*, May 19) is both accurate and depressing. What is surprising, and in my view unacceptable, is her statement that "there are two ways to end wars, and they don't involve justice."

The history of conflict has shown, particularly in recent years, that political compromise that contains no element of the pursuit of justice can only produce temporary cessations of fighting which contain no seeds of peace. It is clear that the current efforts to negotiate an end to the conflict in ex-Yugoslavia will fail. The International Criminal Tribunal established by the UN Security Council and based in The Hague should be given the opportunity and the resources to carry out its mandate. Once it is accepted that war criminals will be prosecuted there will be a very strong deterrent to committing these crimes and an equally strong incentive for peace.

K. J. LYONETTE

Givings, Switzerland.

Regarding "Allowing Crime to Pay"

(Other Comment, May 9)

I wish to applaud the *Neue Zürcher Zeitung* for reminding America, the European Union and the United Nations of their part in the carnage in the Yugoslav war. After three years of permitting aggression and the breaking of international laws, their leaders' fine words of moral inspiration ring cynical indeed. Now we all have learned that you can get away with murder.

LEONORE SUHL

Portugal.

India and Kashmir

Regarding "From Ashes in Kashmir" (*Opinion*, May 17)

The burning of Sheikh Nooruddin Wali's shrine was a tragic incident that could have been avoided. Indian politicians must realize that Kashmir cannot be ruled by force forever, and the Indian taxpayer must understand that he is being taken for a ride with the enormous cost of army operations there. A plebiscite or referendum on the issue of independence is the logical and economical way out. It will also offer the Indian government a demo-

cratic means of saving face. The money thus saved can be used to relocate families that do not want to live in postreferendum Kashmir.

Kashmiris must also realize the dangers of independence. With the militant groups heavily infiltrated by mujahidin and fundamentalist elements, Kashmir risks becoming another Afghanistan, in which case Pakistan, with its large and idle army, will find a pretext to usurp independent Kashmir.

Prime Minister P. V. Narasimha Rao must rise above petty political considerations and endeavor to settle the issue even if the political costs are high. He should go even further to institute changes to India's outdated constitution on the lines of a confederation of independent states. Posterity and history will then remember his courage not in fighting secession but in daring to bring about change.

GAUTHAM VENKATA-CHALAM

Paris.

"Old Soviet Documents"

Regarding the report "A New View of U.S.-Soviet Spy Links" (*Opinion*, April 13) and "These Old Soviet Documents Will Hardly Console the

American Left (*Opinion*, April 20) by George F. Will:

Careful readers will have noted that those "old Soviet documents" do not implicate the American diplomat Alger Hiss. Rather, they confirm the report in 1992 by General Dmitri Antonovich Volkogonov, military adviser to President Boris Yeltsin and chief of the Soviet KGB and military intelligence archives, that he could find no evidence that Mr. Hiss was ever an agent of the Soviet intelligence services.

Mr. Hiss was convicted in 1950 of perjury for denying that he had been an agent for the Soviet Union in the 1930s. Representative Richard Nixon was Mr. Hiss's chief official barrister and rode the case all the way to the presidency. In the early 1980s, when the Soviet archives began to open up, Mr. Nixon and Mr. Hiss both asked General Volkogonov for the Soviet archives on the Hiss case.

General Volkogonov searched, found records of Mr. Hiss's official diplomatic contacts but none on the case, and reached the firm conclusion that Mr. Hiss's conviction was a result of false information or judicial error and the Cold War. General Volkogonov said that he had talked

with many Russian people interested in bringing this information to light; that it pertained to the 1930s and so would not compromise anyone anymore, and that none of them came up with Mr. Hiss's name; and that he would have found a reflection in various files if Mr. Hiss had been a spy. The director of the Foreign Intelligence Service, Yevgeny Primakov, confirmed that Mr. Hiss was never an agent for the Soviet Union.

Mr. Nixon evidently harbored late doubts of Alger Hiss's guilt. More ideological Cold Warriors like George Will, however, still cannot comprehend that Mr. Hiss is America's Dreyfus, yet another innocent victim of the prevailing passions of the time.

JOHN LOWENTHAL

London.

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BOOKS

A RIVER TOWN

By Thomas Kenally. 324 pages.

\$24. Doubleday.

Reviewed by Carolyn See

THOMAS Kenally takes his time when he's telling a story. There are never any shortcuts with him: If people sit down to dinner, you're going to know what's getting served for each course. If people are involved in a difficult political situation, you won't finish a book by him without having had a dozen or more political lessons, laying it all out for you.

Seventy years ago, Virginia Woolf scoffed at this kind of writing: Go into the mind, she urged in her essay "Mr. Bennett and Mrs. Brown," and let the steam engines and the household furniture take care of themselves. Mr. Kenally politely disagrees. A little of both — or a lot of both — would be nice, he suggests.

Although much has been made of his majestic "Schindler's List," most of Kenally's work has been set in his native Australia. "The Chant of Jimmie Blacksmith" examined the hideous injustice meted out to aborigines, and the blind retribution that some-

WHAT THEY'RE READING

• Baz Luhrmann, a London showbiz columnist who also reviews movies on British television, is reading "Trainspotting" and "Acidhouse," both written by Irvine Welsh.

"These are savagely funny books about low-life sex, drugs and rock 'n' roll in north London and Edinburgh, with all the dark humor you get in Quentin Tarantino and John Carroll."

(John Brunton, IHT)



times issues from that injustice. "Woman of the Inner Sea," as well as many others, dealt with the metaphysical power of the land itself. This latest work, "A River Town," examines events based upon the lives of Kenally's grandparents, Irish immigrant storekeepers in a northern Australian tropical settlement at the beginning of this century.

Half a world away in Africa, the Boer War is going on, and in this somewhat remote community a small group of yahoos is getting lathered up about sending the boys over to that war to defend the mother country. But as an Irishman, much put upon in the old country by the British, Tim Shea does not have much use

for his so-called "mother." He came to Australia in great part to get away from all the false patriotism and class distinctions, but to his dismay he finds the English structures alive and well in this dinky outpost.

Tim is not immune to his own snobberies. He looks upon his wife, Kitty, and sees clearly that she is a peasant. He nurses vague romantic dreams about the wife of a prominent citizen in town. He knows she is patronizing him, but he puts up with it gladly just to be near her alabaster presence. Tim is a little too ordinary, but "good," a little too insightful to be an immigrant grocer, perhaps, but solidly convincing. He is a generous businessman who is always in

debt, and a conscientious family man who puts up with Kitty's continuously arriving sisters fresh off the boat.

Two dark events begin a year of tribulation for Tim. A young woman has been mysteriously savaged and killed, and a zealous constable carries her severed head around in a jar, hoping that some citizen will be able to identify her. No one knows who she is, but the lawman will not give up. Tim, seeing this death's head floating in formaldehyde, is horrified. In this town full of complacent tradesmen, there dwells at least one person whose pleasure it is to kill and maim. This vision of evil haunts Tim.

Then, early in the book, Tim is one of the first to discover a ghastly accident: a horse-drawn buggy has overturned, killing the driver and leaving two children orphaned. Someone takes in the boy, and for a while Tim and Kitty shelter a spooky little kid called Lucy, who has a penchant for climbing into dangerous places and taking their own son with her. When, finally, they place Lucy in a convent to be cared for by nuns, Lucy still exerts a scary influence. Something about the town is not safe anymore. About this time, Tim's business begins to drop off drastically.

Some parts of this novel work better than others. Some characters, especially Bandy Habash, a complex Muslim much loathed and misunderstood by the community, seem plunked down in the narrative for the convenience of the author. But other set pieces bring to us another world: The journey upriver so that the whole village can picnic and play cricket is amazing. And the children dancing along precarious cliffs, flirting with the raging ocean below, remind the reader that in gorgeous Australia 200 years ago there were children who leapt off cliffs to their deaths rather than go on living unbearable lives. Australia, the working man's Paradise, had its underside of hell, and that's what Tom Kenally shows us in this stately, detailed book.

Carolyn See reviews book regularly for *The Washington Post*.

For investment information, read the MONEY REPORT in the IHT.

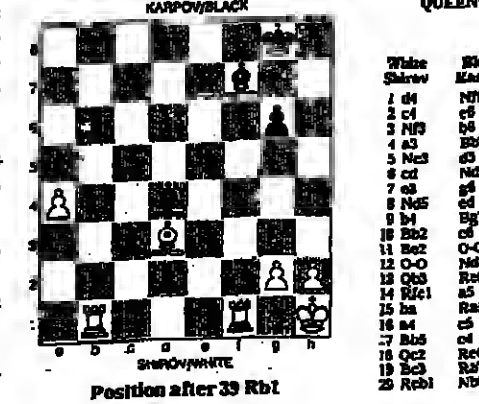
With 26 e4, he sacrificed a knight hoping that after 26...f2 e7, he would get a powerful pawn phalanx in the center on a rook retreat. But Karpov sacrificed rook for knight with 27...e1 28 Bb5 b2 29 Bc6 30 Bc7 31 Rd1 32 Qd4 33 Qd4 34 Qd4 35 Rd1 36 Qd4 37 Kh1 c3.

After 39 Rb1 Bb2!, the choice of 40 Ral c2! 41 Ra2 c1/Q or 40 Rb1 Bb3 41 Rb1 was painful. Shirov gave up.

Accordingly, Shirov had to tend to the weakness of his a4 pawn with 17 Bb5 and Karpov established a protected passed pawn with 17...c4.

Since things were not going his way, Shirov might have aimed for simplification with 20 a5 21 Qd2 followed by 22 Ba5. After 20 Rcb1 Nb8! 21 Ra2 Nc6 22 Rab2 Na5, Karpov had created the possibility of blocking the b file with a timely ...Nb3.

Stymied on the queenside, Shirov switched to a kingside attack with 24 Rf1 Bc8 25 f4 f6.



Position after 39 Rb1

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THE WORLD'S DAILY NEWSPAPER

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Patrick Dupond and Nan Legeai, left, in Celine evening wear; a sporty Saint-Exupéry aviator outfit in leather and wool crepe; gray and taupe dress with collarless black jacket, top right; slender evening dresses in fall-winter show.

Nan Legeai: Taking a Bow With 'Salomé'

By Suzy Menkes
International Herald Tribune

PARIS — On Tuesday, the French baller star Patrick Dupond will dance "Salomé" at City Center in New York. But the seven symbolic veils will not be the only clothing on stage.

The benefit will be a mix of dance and the sleek fashions of the French house of Celine. For Nan Legeai, Celine's president, the event is a personal landmark. She will be back in her native America as a woman who has risen to the top of fashion management in France.

"I always feel like I have to prove myself — each event is a challenge whether in the United States or elsewhere," says Legeai. "But I would love to succeed because America is my base."

She admits to a recurring nightmare in which she takes her seat on the big night to find her view blocked by a blank wall and too many guests to fill a mysteriously-shrunken City Center.

If the organization were to break down, it would be quite out of character. For the elegant Legeai, 42, is known for her management skills. Since she took over as president of the company in 1988, the turnover has increased sixfold — an average rate of 25 percent a year, with profits rising at the same pace. In 1993, global turnover reached 683 million francs (\$130 million) and Legeai says that she is aiming now to reach a billion francs. The 1994 figures, about to be released, show the year's growth at an impressive 32 percent.

Legeai, in her office above Celine's boutique on Avenue Montaigne, is

wearing brown: a tailored frockcoat and skirt with an impeccable stock tie below her signature long blonde hair and bright lips. She expresses exactly the sporty, classy spirit of the company. In fact, the Celine brochures show glossy-haired models who look suspiciously like clones of Legeai herself.

"It is important for a woman running a fashion company to set a standard. I have a certain taste level I was born with, and French training increased it," she says. "It is interesting being a woman because you have a certain dialogue with the design studio, being a consumer. I can say that I would like to wear this or that I can relate to it."

Directing a company is something else, especially in France where, as Legeai says, fashion management is men's business and fraught with red tape and politics. She was educated at the University of California at Berkeley, came to France as a young woman and fell in love with Paris as a city — and with her late husband. She decided to stay on, and after 10 years as a director of Far Eastern licensees for Christian Dior, she was put in place at Celine by Bernard Arnault, president of LVMH Moët Hennessy Louis Vuitton, which bought Celine, then a middle-of-the-road company dressing the bourgeoisie, in 1987.

"I was lucky," she says. "I think Bernard Arnault is very open to women executives. I don't think he has a real problem with that as a lot of companies do."

In a city of flamboyant couturiers with their luxury designer labels, Celine seems more like an American fashion company, in its price structure (around 5,000 francs, or \$980, for a suit) and in

its no-fuss style. It was founded in 1946 and is rooted in sportswear, meaning separate pieces that work together, with matching shoes and bags so that the look comes as a package.

Celine has no signature style; it just goes with the flow of fashion, offering clothes for career or casual wear, and more recently for evening.

The line is pretty bland and Legeai worries that there is little to titillate a oes-hungry press. She says that the clothes, accessories and classic menswear are designed to have a coherent image and to express quality and elegance, without ever shouting their presence or their label on the street.

"Elegance" is Legeai's rallying cry. "Grunge!" she says with a shudder, wiping an impeccably manicured hand across her brow. It is a relief to her that "designers who know how to embellish women" appear to have gone back to tailoring, glamour and the things she understands.

THE success of Celine is that it fulfills a market gap in France and under the direction of Legeai has successfully developed in the Pacific, including China. It has little impact in Italy or the United States where similar upper-end sportswear collections are available. There are 100 boutiques worldwide, with a flagship U.S. store in New York on East 57th street and five others, including two in Honolulu.

Legeai admits that the America gala is designed to raise Celine's profile in the United States. She is co-chairman with Blaine Trump of the event, which is a benefit for the American Ballet The-

atre and for "God's Love We Deliver," which brings meals to homebound AIDS victims.

Dupond's onstage leaps and bounds will give the show pizzazz. But why this multimedia spectacle of fashion, film and dance?

"The two artistic forms are very similar," she says. "Fashion is seduction — so is dance; fashion is perfection — so is dance; and it makes for a wonderful show."

In Paris, the Celine fall show of fitted suits, tailored leather and slender evening dresses was paraded against a narrative backdrop painted by the French painter Jean-Paul Chambas, with Legeai encouraging him to include emblems and colors that correspond to the collection and banning his signature blue because it was not a Celine shade of the season.

In her streamlined office, another painting by Chambas makes a bright splash of color on a plain wall. The only other decoration is a graphic drawing by René Gruau, a famous 1950s image of a dashing profile with scarlet lips. It could easily be Legeai herself.

She attributes her business success to "willpower and hard work," and to her American education, which gives her "a slight edge" over the more literal and traditionally-minded French whose "curiosity has been less awakened."

But it is hard not to see Celine as a symbiotic relationship between its president and its image. Legeai may not design the clothes or technically be the creative force, but she is so closely identified with the company that she has become its alter ego and its most persuasive role model.

Press Agent's Nightmare

By Donald G. McNeil Jr.
New York Times Service

NEW YORK — For Alma Viator, the penning night of Jean Cocteau's "Indiscretions" began weeks earlier. As press agent for the show, she would then have many duties: coddle the critics, arrange interviews, shepherd photographers. But first she had to build buzz for the show — which meant picking the party spot and buttonholing celebrities to fill it.

For Viator, the new press agent in town — she moved up from Washington in the fall — the pressure was on. "What's a successful opening night?" said Viator, a short, sparkly, politically astute blonde, who is married to a former congressman. "A party that says 'This show is special.'"

And, of course, no onstage disasters. And rave reviews for dessert.

Opening nights are the glamour part of Broadway theater. For investors, they're often the best part: when you buy 1,000 shares of Wal-Mart, you don't meet Kathleen Turner.

For stars, they're a pain: for autograph hunters, a gold mine; for press agents, a nightmare.

The stories about openings gone wrong are legion. Except for Viator, the 17 press agents interviewed for this article all dished on cooedition of anonymity regarding anything nasty about people they're paid to be nice to.

Like their nickname for the B-list paparazzi ("the undead"), like their imitations of the New York Post columnist Cindy Adams ("I hate her! Half the time, she stomps out and says, 'Don't you have better seats for us? My Joey can't see.' Then he snatches tickets right out of my hand.") or their feelings about critics' feelings ("They make dead spots in the audience. Like it would kill them to laugh while they're writing?")

Herewith, one woman's march toward Valium or glory: March 23: Viator's work begins in earnest, touring places that can feed 600. The producers want Old Reliable — Sardi's — for \$30,000 or so. "But it has four floors,"

she says. "And people end up feeling slighted if they aren't on the first."

March 30: The price quotes are in: 1585 Broadway would cost \$100,000 — out of the question. But Tavern on the Green, happy to appear in gossip columns, will do it for \$35,000.

"It'll be fine," she reassures herself. "Plus, it's so far away, it'll cut down on crashes."

She turns to celebrity head-hunting. Yoko Ono and Connie Chung both call to buy house seats sometime; they're asked to come opening night for free. She asks the actors if they have any friends. Recognizable friends.

April 3: Previews begin. Word gets around fast that Eileen Atkins is Tony material, but Turner is overacting. Viator keeps smiling, but is clearly nervous. "Sean is working with her," she admits, meaning Sean Mathias, the director.

April 11: Viator is ecstatic. Her producers with Hollywood and literary friends are finally playing more-connected-than-thou, dropping names with a vengeance.

Scott Rudin may deliver Demi Moore, Ron Howard, Drew Barrymore and Laurence Fishburne. Roger Berlind bids Kurt Vonnegut, Turner raises with Alec Baldwin and John Waters. The Shuberts invite Walter Cronkite, Christopher Reeve, Patti Lupone and Bebe Neuwirth.

April 25: Two days to go. She's hired two extra assistants and jammed their desks into her modest office. In the afternoon, she haggles with Shubert executives over the choice tables at Tavern on the Green. Afterward, alone in her office, she takes out a theater seating plan and begins parceling out the bounty.

April 27: The day arrives. By mid-afternoon, she knows what most of the next morning's papers will say about the play. Press agents say all the critics in town — except the ones from The New York Times, whom they don't dare call — will give them at least the gist of their reviews.

5 P.M. With an hour to go, she changes in the mailroom into a turquoise dress with a plunging neckline.

6 P.M. She's in front of the theater. The celebrities begin

running the gauntlet of lenses, the photographers shouting their names.

7 P.M. Somewhere inside, the curtain goes up. The crowd fades. Some press agents go straight to dinner now, the night's one chance. Viator grabs a seat. At intermission, she's enthusiastic. She watches 20 minutes of Act II, then heads for the Tavern.

Meanwhile, someone from Serino Coyne Inc., the show's advertising agency, is hanging around The New York Times' lobby waiting for the review. At 9:40, when the papers arrive, he buys several, tears out the reviews, flings the rest away and races for the agency.

Usually, though, the producer is told first, and quietly. A code develops. "How do you feel?" "Lousy." "Ob dear." A clipping may be folded small and passed in a handshake.

Since even good notices criticize someone, they're rarely read aloud. If the show is panned, a pall descends. Guests melt away.

10 P.M.: With the party in full swing, Viator, fielding crises, has still heard nothing. She hands the reins to an assistant and jumps into a cab to the advertising agency.

"Do we know yet? Do we know yet?" she cries.

"It's a rave!" She devours it, oobing and aahing, gathers some copies and heads back for the Tavern. The producers are jubilant.

10:45 P.M.: She decides the party can run itself. Leaving the office at midnight with Viator, Nancy Coyne, the head of the agency, tells her personal worst opening night story. It's about "Moose Murders," a Broadway legend because the reviews were so vicious.

"The producers and the author were sitting there, in their taxes, and Dennis Cunningham comes on Channel 2 and opens like this: 'If your name is Arthur Bicknell — or anything like it — change it, because by tomorrow, the whole world will know YOU wrote 'Moose Murders.'"

"And poor Arthur just slumped down. No one knew what to say. He went downstairs and started drinking martinis."

No such problems tonight. Viator goes home happy.

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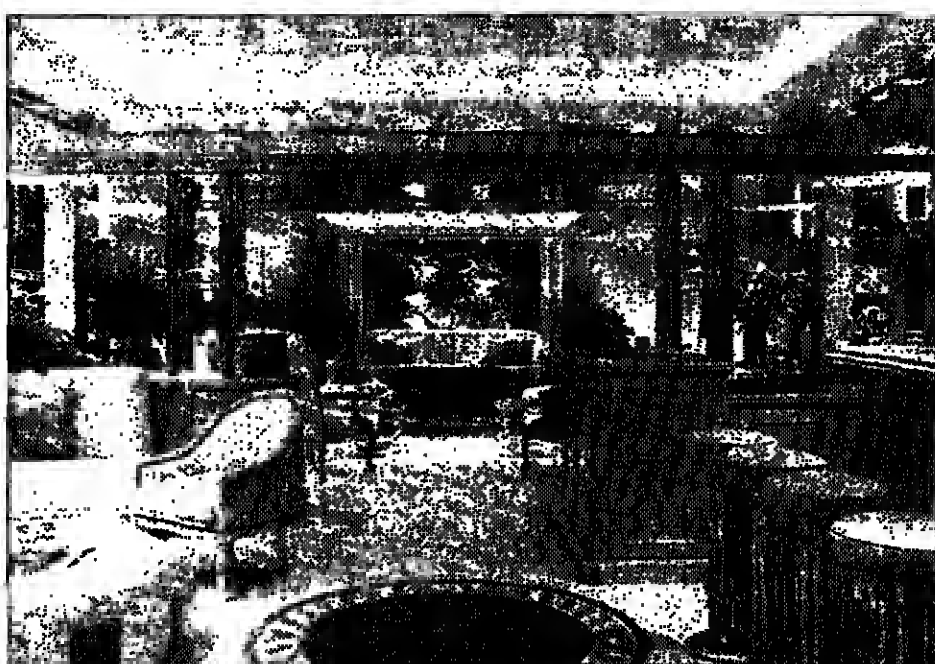
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YACHTING



Super-yachts are a sure way to escape the crowds, and these boats' opulent furnishings (like the living room above) can rival anything on land.



OCEANIC OPULENCE: HOW TO SAVE A BUNDLE

A look at the rarefied world of super-yacht interior designers, who must combine decorative flair with knowledge of boat design.

Money is like an arm or a leg — use it or lose it. Henry Ford II is reported to have said. It is no surprise that he was the owner of a super-yacht. These enclaves of floating opulence are defined as boats over 20 meters (66 feet) in length, but their differences from a weekend cabin cruiser can be measured in far more than meters.

The Superyachts, an annual guide, describes its subject as a status symbol that provides "a quality of living that is comparable to any luxury dwelling ashore."

Marble, gold, and more That means marble bathrooms, gold finishings, silk fabrics, precious wood inlays, one-of-a-kind furniture and objets d'art, all in keeping with the expectations of the world's ultra-elite. Ensuring such quality standards is the task of the interior designer, who may work in a shipyard's in-house department or be an independent naval architect or a specialist designer.

The shipyard's experts are well able to cater to the needs of their clients. Sometimes, however, a would-be yacht owner prefers to approach an independent designer, who then selects the appropriate shipyard for specific requirements. An advantage of taking this route

is that an outside architect can provide an independent check on the quality of construction.

Lifestyle and needs

A designer should be chosen who understands the owner's lifestyle and needs. Is the owner sporty or formal? Will the vessel be used for dockside entertaining or ocean cruising? Where will it be moored, and how often will it be used during the year? Will it be chartered?

It is equally essential that the designer be familiar with the particular characteristics of boat design. Susan Puléo, president of Puléo, Inc., one of today's most reputable design companies, points out some of them: "All components of the interior and its elements must be serviceable," she says.

"That means everything must be removable for cleaning or access to the interior of the boat. You have to worry about stability and the seaworthy qualities of what you are designing. All furniture has to be affixed to the floor, with the exception of dining chairs. These can be held down by bungee ropes or laid on the floor when not in use. Lamps and other objects must be screwed to tables. But none of this should be evident to the eye," Ms. Puléo adds.

Terence Disdale, another world-renowned yacht designer, elaborates with an example. He avoids the popular "built-in" approach, where the table has a hole for the glass and a slot for the magazine.

"People are not robots," Mr.

Disdale explains. He tries to ensure that a priceless painting on the wall does not have a thermostat right beside it or an air-conditioning grill just above it.

Ms. Puléo suggests that many house designers do

a kitchen works. So a megayacht galley, even one equipped to the standards of a professional restaurant, might prove unworkable for the cook once the boat is afloat.

More space, less privacy Mr. Disdale remarks on the current trend for making the main deck area the full width of the hull. This decision adds space but complicates circulation around the vessel, makes window cleaning "a nightmare" and reduces privacy.

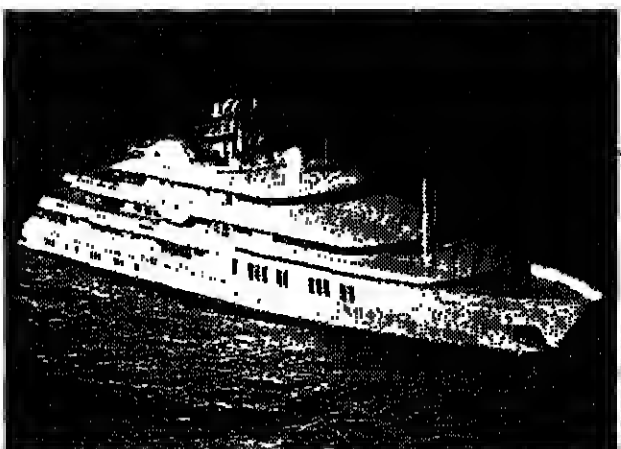
"If your vessel happens to be moored alongside another that also has a full-width superstructure, it means that your respective saloon windows are only separated by the width of the fender," he says.

Correcting such errors, if they can be corrected, might cost hundreds of thousands of dollars. That is why it makes sense to commission an established shipyard and an experienced designer.

Ms. Puléo does not give an average figure for a yacht design, but she observes that all her clients watch their budget, "even if it is large."

The industry's Wood Report estimates the average overall cost of a new super-yacht at \$65 million, so its owner's arms and legs are fact in being well used.

Claudia B. Flisi



This super-yacht is currently under construction.

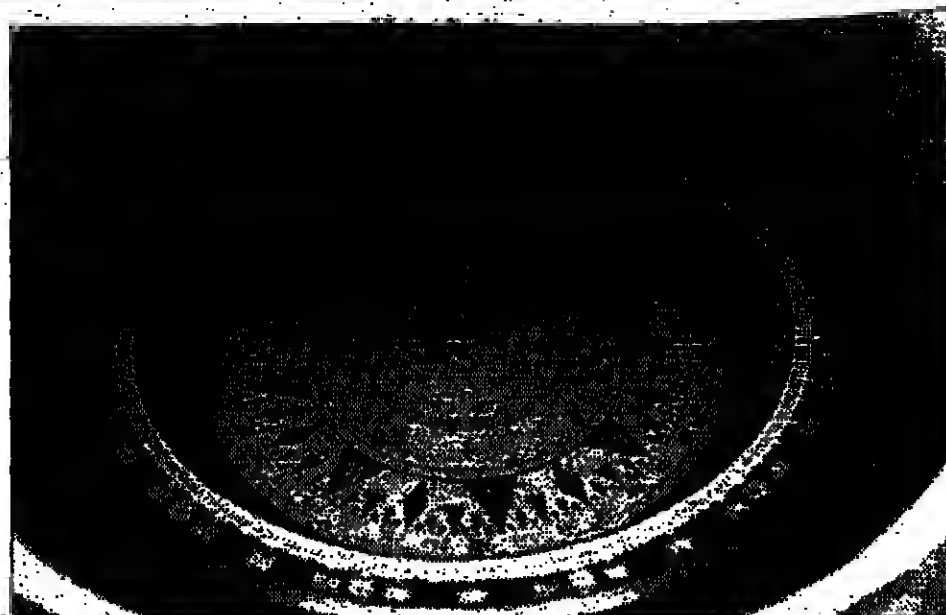
Disdale says, so "the magazine ends up covering the hole for the glass, which, having lost its slot, spills its contents irretrievably in the slot for the magazine."

Other details must also be considered, including handles, light switches, thermostats, air-conditioning outlets, and so forth.

"The confinement of space means the eye is more likely to focus on such de-

not have the expertise to design for boats. An architect building a luxury land residence, for example, does not have to worry about housing a staff of 12 or 14 in the same structure, nor about traffic patterns to keep crew and guests separated.

Some naval architects also lack practical experience. Ms. Puléo points out that "a naval architect is not a chef" and may not understand how



KNOWING WHERE TO SHOW: CHOOSING A BOAT EXHIBIT

From Fort Lauderdale to Singapore, boat shows are big business.

Yachts are sometimes described as holes in the water into which money is continuously poured. Judging from the number of boat shows that have sprung up in recent years, more and more people are eager to undertake the challenge.

"There are too many shows today," admits Nick Burleigh, head of sales for IIR, the organizer of several boat exhibitions. "Everyone is on the bandwagon." His group alone organizes the Monaco Boat Show in September, Boat Asia in April and the Super-Yacht Show being held in Nice this year from May 30 to June 1.

Among the major boating events worldwide are the Dusseldorf show (the world's largest), the London and Southampton shows in England; the Paris, Amsterdam, and Genoa shows elsewhere in Europe; the Fort Lauderdale and two-year-old Seattle super-yacht shows in the United States; and the three shows run by IIR in Monaco, Singapore and Nice.

Ask the right questions

The calendar of the International Federation of Boat Show Organizations lists 35 boat salons for 1995, and several of them occur simultaneously. To decide which show is right for a potential exhibitor and visitor, a number of questions need to be answered.

First, what kinds of boats are on display? Do they range from Zodiacs to super-yachts (i.e., boats over 20 meters in length)? Are both sailing and motor boats featured? Is the potential buyer interested in fishing or simply weekend recreation?

An eclectic show is the best way for the novice or first-time shopper to learn, but it may be too cluttered and confusing for an experienced boat owner who wants something specific.

Although the major shows all display both sailboats and motorboats, the latter are more popular. Mr. Burleigh notes that in IIR's shows,

"more motor is exhibited than sail. The ratio is about 60/40. Sails turn heads, but motor is easier." Sailors are acknowledged to be "a special breed" — even in the super-yacht category, their definition of luxury is different from that of their motoring counterparts.

Daniel Ponachau, director of Nigel Burgess yacht brokers in Monaco, says that his upscale clients prefer motor to sail by a ratio of 70 to 30. Buyers from the Middle East, he notes, "do not like sailboats, which are bought primarily by the French, Italians, Americans and the English."

Indoors or in-water?

A second criteria for distinguishing boat shows is whether they are indoors, in-water or both. An indoor show by definition cannot display the kinds of luxury yachts to be found at an in-water exhibition like the one in Monaco.

The London, Paris, Geneva, Amsterdam and Dusseldorf shows are all indoors and are all held in the autumn and winter months. Only Dusseldorf has some super-yachts on display, and it has dedicated one of its 15 halls to them. In contrast, the largest boat in the London show is 19 meters.

Both Fort Lauderdale and the super-yacht show in Nice feature indoor and in-water displays. "Some exhibitors buy space in both locations," says Mr. Burleigh, "but inside you will usually find engine builders, shipyards with video clips and models of their creations, designers, sailmakers, etc. The outside exhibitors are brokers with their yachts."

A third consideration is whether the show is restricted to vessels alone, or whether it includes all the attendant paraphernalia — from engines to navigational equipment, surfboards and scuba tanks. Both London and Dusseldorf run the gamut, while the Monaco show — Europe's most prestigious in-water exhibition —

by and large limits itself to the boats.

The tire-kickers

The greater range of exhibits, the more likely that the show will attract "what Americans call 'tire kickers'." says Mr. Burleigh with a smile. The Dusseldorf show, for example, attracts up to 200,000 visitors to the weekend. That is desirable for vendors of anchors and anoraks, but is not viewed favorably by the brokers of luxury yachts. To screen attendees, boat shows normally charge a small fee (usually between \$5 to \$20) for admission. Most people enter by invitation, however, especially for the super-yacht shows.

The industry's Wood Report estimates that there are a total of 2,380 super-yachts in the world, a number that increases by 100 new boats per year. Most of these are bought by billionaires who favor a low profile.

Base prices are so high that "your average famous tennis or film star cannot afford them," says Mr. Burleigh. He cites the main attraction at last year's super-yacht show in Nice, the Lady Mona. It would cost \$190 million to build her today, and that does not take into account insurance, operating costs, captain and crew on a full-time basis.

Super-yacht sales

In spite of the rarefied nature of such transactions, potential super-yacht clients are well-known to the brokers who deal in this select end of the market. Customers are personally invited to super-yacht shows and escorted throughout their stay, winned and dined and coddled to keep competing brokers at bay. Only 190 super-yachts are sold annually, so it only takes one sale to make a yearly business for a broker.

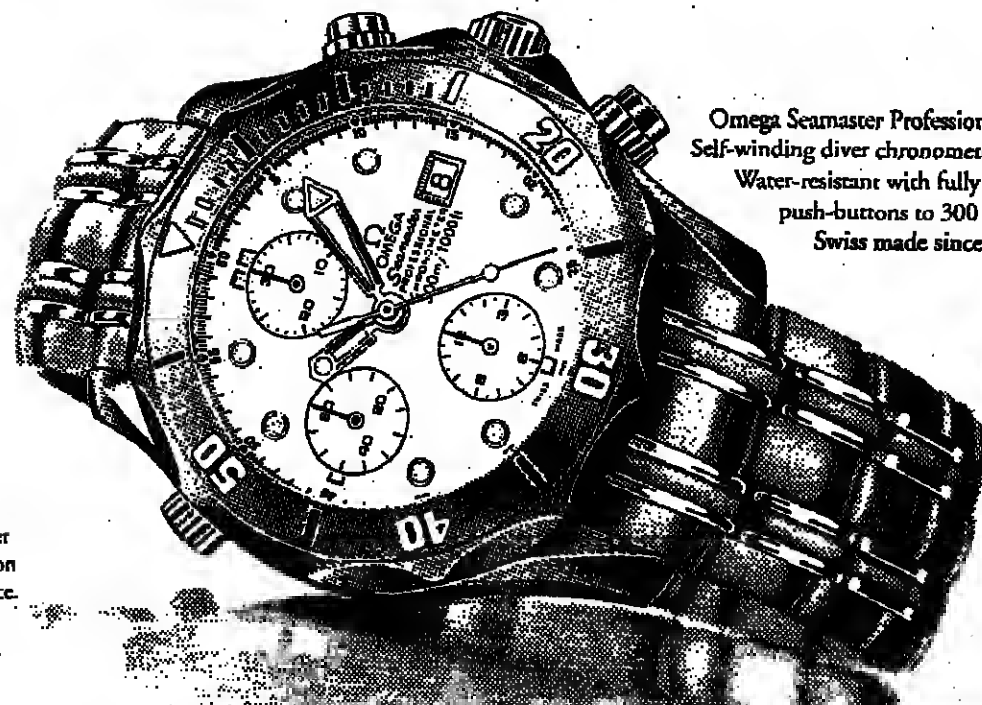
The challenge of deciding which boat shows to attend pales in comparison to the job of selling a \$50 million indulgence.

C.F.



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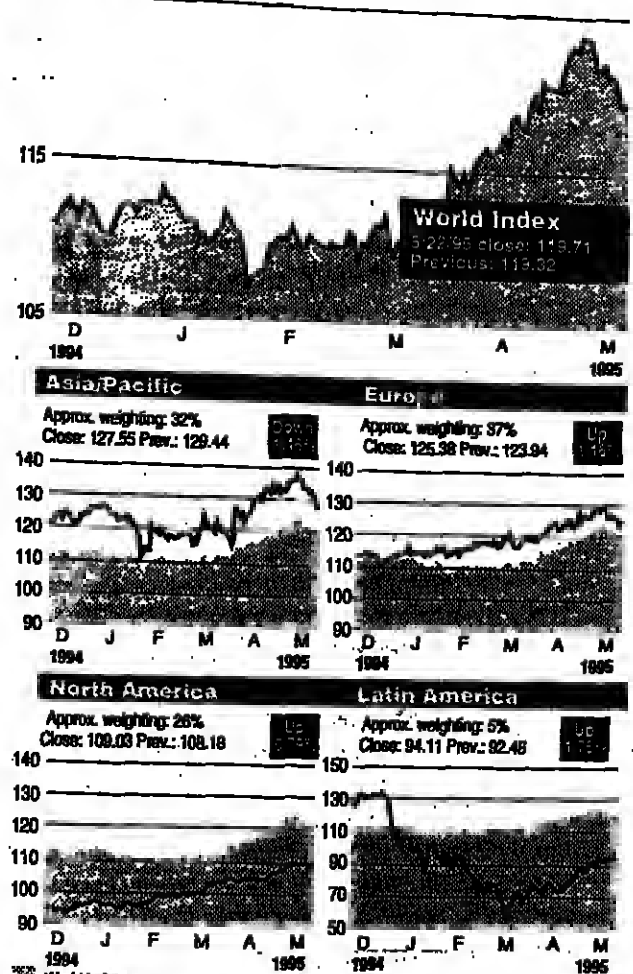


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International Herald Tribune World Stock Index, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and other major financial centers. The index is composed of the 20 top issues in terms of market capitalization, otherwise the top 100 issues are tracked.

Industrial Sectors

Sector	Index	% Change
Energy	124.84	+1.02
Utilities	131.35	+0.29
Finance	117.80	-0.75
Services	113.38	+0.43

Comeback Network Goes Off Block

Turnaround Makes NBC Too Expensive for Suitors

By Bill Carter
New York Times Service

NEW YORK — NBC, relying on daring programming moves and a commitment to urban, young adult viewers, has emerged from half a decade of slumping ratings, declining revenue and industry ridicule to be the best-positioned network in the business.

Competitors and friends alike say it is now seen as the network with the best new programs and the best strategy to claim a big share of record \$5 billion or more that advertisers are expected to spend for network commercials.

The General Electric Co. subsidiary has also expanded its satellite access and cable franchises and made a series of deals, such as the one last week for a multimedia alliance with Microsoft Corp., adopting a wealth of partners that, it hopes, can deliver its programs around the world.

The shift in NBC's fortunes has also put a damper on the persistent rumors that GE was about to sell the battered peacock. The turnaround has allowed the network to take a tough stand in negotiations with potential buyers or those interested in merging. After negotiations with Ted Turner last fall, Robert C. Wright, the network's president, and John F. Welch Jr., the chairman of GE, rejected selling part of NBC to Turner Broadcasting System Inc. The issue was control. Turner wanted it; GE did not want to give it up.

Such a merger, with NBC in control, "would have been and still is the best thing for both companies," Mr. Wright said last week. "But it isn't likely to happen." Nor is any sale of NBC likely.

"They have great assets now they can rely on."

Jessica Reif, a media industry analyst at Merrill Lynch & Co.

now, he said, adding, "It's getting real expensive to buy NBC."

Still, NBC executives remember the low point.

On Feb. 10, 1993, these executives at a strategy session near Ossining, New York, were discussing the latest grim developments.

The night before, NBC News had broadcast a humiliating apology for a report on the newsmagazine "Dateline NBC," which had faked explosions in a report questioning the safety of a General Motors Corp. truck model.

The network had fallen to the bottom of the ratings. Its only real hit, "Cheers," was going to cease production because Ted Danson, the star, had decided that he needed to move on to something else. The network had lost \$50 million in 1992, and the balance sheet for 1993 was looking depressingly similar.

Don Ohlmeyer had joined the compa-

ny only six days before the meeting as the president of NBC's West Coast operations to find some way out of the programming collapse. It was a newly created position, and he recalled staring outside and asking himself: "What the heck have I gotten myself into?"

By last fall, Mr. Ohlmeyer's situation had already improved remarkably. Now, as NBC prepares for the fall season, the industry buzz has gone from how soon Ted Turner is going to buy the network to admiration for NBC's momentum and how its comeback is coinciding with a booming market for television advertising.

"Our profits are up 100 percent from a couple of years ago," Mr. Wright said. "We were up 25 percent for the last year, and we may be up that much again this year. We're almost back to our all-time peak from the late 1980s. We should make it next year."

Though Mr. Wright did not give specific figures, NBC earned about \$500 million a year in the late 1980s. "It's an amazing, amazing comeback," said Jessica Reif, a media industry analyst at Merrill Lynch & Co.

John Tinker, an analyst at Furman Selz, asked: "Did they get lucky or smart?"

NBC executives said a number of reasons, mostly calculated but some simply

See NBC, Page 19

Record Profit Fails to Keep BA Shares Aloft

By Erik Ipsen
International Herald Tribune

LONDON — British Airways PLC revealed Monday that ambitious efforts to create a global airline had taken a costly bite out of an otherwise record pretax profit for 1994.

The airline said it would write down the value of its \$400 million investment in USAir by half. BA added that stakes in two European associates had cost it \$90 million (\$141 million).

Not counting an exceptional charge of \$125 million for the USAir write-down, BA reported a record pretax profit of \$432 million, up 61 percent over 1993's results. Revenue rose 9 percent to \$7.2 billion.

Sir Colin Marshall, BA's chairman, blamed the write-down decision on new American accounting rules that require companies to reduce the stated value of their assets when declines in their worth are clearly not temporary.

Sir Colin said the write-down came at a time when USAir's battered fortunes were finally turning around. He pointed out that last month, the U.S. carrier — in which BA holds a 24.6 percent stake — said it cut its first-quarter loss in half, to \$96 million from \$197 million a year earlier.

He added that a series of tentative agreements between USAir and its unions had now set the stage for much needed cost cuts.

But investors reacted harshly: Stock in British Airways fell 14 pence, or 3 percent, to 410.

Analysts said the drop in the share price was not only attributable to the USAir write-down. Some said BA, which is one of the world's most profitable airlines, may simply have been a victim of its own success.

"The feeling is what the hell are they going to do for an encore," said Matthew Stainer, an analyst at Morgan Stanley & Co.

Robert Ayling, BA's managing director, said the airline was reaching the limit of its capacity on lucrative long-haul routes in the peak summer months. He said load factors, or the percentage of seats filled with paying passengers, on such routes were as high as 82 percent.

BA said operating profit for trans-Atlantic routes soared 75 percent last year, to \$245 million. The airline benefited from so-called code-sharing agreements with USAir that fed traffic onto BA routes.

Sir Colin said the volume of passengers transferring from USAir domestic flights to BA flights through such agreements now equaled one fully filled 747 airplane every day of the year.

He said the benefits of code sharing, joint marketing and other agreements with USAir at were worth £100 million in 1994.

BA's stakes in two European carriers — TAT of France, and Deutsche BA in Germany — continued to be a drain on the company, cutting a combined \$90 million off BA's earnings. Mr. Ayling said most of those losses came from TAT. He said cash injections from the French government to Air France "must have made a difference."

Overall, the British carrier said its stakes in other airlines, part of its so-called global alliance, contributed a net \$50 million to BA's bottom line last year, including gains from its stake in Qantas Airways Ltd. of Australia.

In addition to problems competing with state-owned airlines in Europe, Mr. Ayling said Eurostar trains linking London with Paris and Brussels via the Channel Tunnel were beginning to have an impact on the airline's short-haul European business.

French Minister Talks Tough on Franc

By Tom Buerkle
International Herald Tribune

BRUSSELS — France's new finance minister sought Monday to dispel lingering suspicion that his government would abandon its strong-franc policy in a bid to create jobs, stating that, if anything, the franc should be stronger.

Alain Madelin said continued efforts to reduce deficit spending and inflation were the only means of generating durable growth and employment.

Mr. Madelin said the new government would continue to keep the franc at the core of its policies, repeating the assurances that President Jacques Chirac made

last week at a meeting with Chancellor Helmut Kohl of Germany.

"I repeat clearly that the monetary policy of France will remain unchanged," Mr. Madelin said after a meeting of European Union finance ministers here.

He engaged in a modest effort to talk up his currency, saying that "the fundamentals in France if anything point to a reassessment of the franc."

Financial markets have speculated that Mr. Chirac and Mr. Madelin would be tempted to change course in a bid to combat France's 12.2 percent unemployment rate. Mr. Chirac has promised to make that fight the heart of all government policies. Mr. Madelin's comments helped bolster

the franc on Monday. In Paris, the mark fell to 3.5373 francs from 3.5449 on Friday.

Some analysts question whether France can wage a fight against unemployment and still make the drastic budget cuts needed to participate in a single European currency by 1999.

France will run a deficit of 400 billion francs (\$78 billion), or nearly 5 percent of national output this year, estimated Jean-François Mercier of Salomon Brothers Inc. in London. Even assuming solid economic growth, the government will have to slash the deficit by 120 billion francs to get it down to 3 percent of output, the maximum permitted under the Maastricht Treaty on European Union.

Thinking Ahead / Commentary

How Long Is the View From Messina?

By Reginald Dale
International Herald Tribune

WASHINGTON — More than 20 years ago, on a gray Brussels afternoon, the then nine-nation European Community took an almost imperceptible step toward monetary union. Middle-aged officials completed the technical definition of an obscure financial instrument called the European unit of account, which some hoped would one day lead to a common currency.

The achievement seemed totally insignificant to most Europeans, not to mention Americans. But the Chinese press was there in strength to record an event it judged to be of profound historical importance. "The Europeans," the Chinese journalists explained, "are plotting the downfall of dollar imperialism."

Stripped of its ideological overtones, the Chinese analysis was not far wrong. Today, the reserve role of the dollar is in question, and the Europeans are probably only a few years away from a single currency — at least among some members of the 15-nation European Union. Many economists expect that if and when the European currency is introduced, it will quickly acquire a major reserve role.

But if the Chinese are the world's longest-term thinkers, the Anglo-Saxons are almost certainly among the shortest. Their preference for nuts-and-bolts pragmatism over conceptual thinking often prevents Britons and Americans from seeing the forest for the trees.

Especially where Europe is concerned, Anglo-Saxons like to interpret short-term setbacks as putting paid to longer term ambitions. Disarray over Bosnia is seen as forever dooming hopes of a common foreign policy, currency fluctuations as destroying all prospects of monetary union.

Few Americans, accordingly, feel they need to follow the EU's workings very

Especially where Europe is concerned, Britons and Americans tend to see short-term setbacks as scuttling longer-term ambitions.

closely. A senior German official who recently visited Washington says the U.S. administration knows a lot about European security issues and the future of NATO, but next to nothing about economic and monetary union.

Unwittingly echoing the Chinese journalists, he says he looks forward to the day when the United States gets billed for imported oil in Europe's single currency rather than in dollars.

The British government, on the other hand, keeps reassuring its public there is no imminent danger of a single currency — which would force Britain to make a painful decision on whether to partici-

pate — as if by simple denial it will make the whole thing go away.

For a country with so much history, the British are remarkably bad at learning from it. Forty years ago, when the original six members met in Messina, Sicily, to lay the foundations of the European Community, Britain haughtily dismissed their efforts as certain to prove either futile or disastrous.

In a few days' time, with deliberate symbolism, EU representatives are to return to Messina. There they will start preparing to strengthen the Union's institutions so that it can expand into Central and Eastern Europe — the biggest challenge since the start of the whole enterprise in the 1950s.

Once again the British say nothing much will change. Few Americans even know what is happening.

Of course the Anglo-Saxon cynics could be right. Britain can do its best to ensure they are by obstructing the progress of further integration from the inside — as Charles de Gaulle warned 30 years ago that Britain would do if it were allowed to join.

There is no shortage of problems. European public opinion is not ready for another big leap forward. The plans for economic and monetary union could be blown off course, at least temporarily, by a recession, an external shock or a currency crisis in France.

The EU is way behind the schedule it envisaged in the early 1970s. But in the interests of finding out what is really going on, let us hope the Chinese are sending plenty of reporters to cover the Messina talks.

Truce Set In Battle Of Saatchis

The Associated Press

LONDON — The advertising feud between Maurice Saatchi and his old company came to an abrupt halt Monday, as the battlers made peace in all of their lawsuits and agreed to stop making public statements about each other.

Since Maurice Saatchi was ousted as chairman of Saatchi & Saatchi Co. in December and cut his ties to the concern in January, the company has suffered waves of defections by executives and advertisers who wanted to stick with Mr. Saatchi. As the two sides fought over clients, notably British Airways, they also went after each other in a series of lawsuits that have, as of Monday, all been settled out of court.

Maurice Saatchi and his brother, Charles, have agreed to stop calling their new company The New Saatchi Agency and will use the name M & C Saatchi Agency. Cordiant PLC, as the old Saatchi & Saatchi holding company has renamed itself, said Monday that this would lead to less confusion with one of its key subsidiaries, Saatchi & Saatchi Advertising Worldwide.

The Saatchi brothers also said they would not solicit or act for any more clients or hire any more employees from Saatchi & Saatchi Advertising Worldwide or Bates Worldwide, another Cordiant subsidiary, until Dec. 31. The defections from Cordiant have so far cost the company about £45 million.

Trade War Worries Asia

Dispute With Japan Tilts U.S. to Europe

By Michael Richardson
International Herald Tribune

SINGAPORE — With the United States and Japan preparing for tough talks in their dispute over cars and auto parts, Asian countries have warned that a trans-Pacific trade war could lead to an economic alliance between the United States and Europe that would put Asia at a serious disadvantage.

Analysts said Monday there was also concern in the region that a protracted confrontation between Washington and Tokyo would fuel protectionist sentiment in the West against export-oriented East Asian nations, many of which have large trade surpluses with both America and the European Union.

Following warnings by the United States of sanctions against Japanese luxury car imports unless Japan took action to open its automobile market, Lee Kuan Yew, Singapore's senior minister, called on Tokyo to lead the way for a general lowering of import barriers in Asia.

"East Asian countries should not be seen as free-riders, abusing the generosity of the industrialized world," he said at a conference Friday in Tokyo. "The U.S. and Europe will no longer tolerate mercantilist practices that stress exports and restrict imports."

Singapore and Hong Kong are the only two economies in East Asia with very low tariff and nontariff barriers.

Mr. Lee said Tokyo would be "shortsighted" to continue its tactics of exhausting negotiations before yielding minimal concessions.

"A U.S. that finds itself frustrated in Asia could look to Europe instead," he said. "The U.S. already has in place trans-Atlantic institutions in defense, security and politics, and could extend such institutions into economic areas."

Mr. Lee was referring to increasing discussion by officials and opinion-makers in America and Europe on a possible North Atlantic free-trade area.

Such an accord would bring together the 15

European Union members and the three members of the North American Free Trade Agreement — the United States, Canada and Mexico — to create a trading bloc with a combined annual output of more than \$10 trillion and a population of over 770 million.

While major trans-Atlantic differences over agriculture, steel and aircraft subsidies would have to be ironed out, some Western officials see the proposal as an important element in a strategy to force down barriers to trade and investment in Asia and other areas of the developing world.

Western proponents of an Atlantic free-trade zone say it would help galvanize global trade liberalization.

But Asian countries, especially those with relatively high import barriers, are wary of the plan. They fear it could be used to restrict their access to American and European markets if they did not agree to terms laid down by the West for cutting import barriers to goods and services, protecting intellectual property rights and conforming to labor and environmental standards that would undercut their competitive advantage.

Prime Minister Mahathir bin Mohamad of Malaysia said that European and North American antagonism towards Asian economic expansion "is going to figure a lot in the future of Asia."

One possible development, he said, is that world trade would be managed by the EU and NAFTA nations, which would "come together to form the world's biggest trading bloc."

"With their trading clout," Mr. Mahathir said, "the EU-NAFTA confederation could dictate terms to the rest of the world."

Kenneth S. Courtis, senior economist at Deutsche Bank Capital Markets (Asia) Ltd. in Tokyo, said that U.S. frustration with Japan, China and some other East Asian countries, over market access and other issues was "extremely high."

But he said the United States also knew that economic growth prospects for Europe were much less promising than for Asia.

MCI Takes a Leap Into Cellular Phones

Compiled by Our Staff From Dispatches

WASHINGTON — MCI Communications Corp., making its first foray into the fast-growing cellular-phone business, announced plans Monday to acquire Nationwide Cellular Service Inc. for \$190 million in cash.

Nationwide, the largest American reseller of cellular services, has more than 275,000 customers in 10 cities, including Chicago, Los Angeles and New York and posted revenue of \$213 million in 1994. MCI is the second-largest long-distance company in America, after AT&T Corp.

A reseller buys capacity from companies that own spectrum and transmission towers and then resells it, usually along with cellular-phone hardware, to customers.

By acquiring Nationwide, MCI hopes to cash in on the explosive growth in the \$25 billion-a-year U.S. cellular industry, which

is signing up an estimated 28,000 customers a day.

"With the advent of digital technology, there will be a glut of capacity in the future, so there is no incentive for us to buy spectrum or towers ourselves," said Kevin Inda, an MCI spokesman. "This is also just a first step. There will be other announcements as we round out national coverage."

Analysts, however, were skeptical. "This is small step, and while it's in line with their reselling strategy, I'm still not sure it provides comfort to the masses," said Jeanine Morley, an analyst at Brenner Securities. "By reselling service, it doesn't give them any competitive advantage."

In addition to \$18.50 a share in cash, Nationwide shareholders will receive 0.38 shares of Cellular Technical Services Co., in which Nationwide has a 38 percent stake.

Nationwide Cellular shares soared on

the news, closing at \$23.50, up \$6, while MCI closed at \$21, up 12.5 cents.

(A.P., Bloomberg)

Nellcor to Acquire Puritan-Bennett

Nellcor Inc. said Monday that it would acquire Puritan-Bennett Corp. for about \$475 million in stock, a move aimed at expanding its line of patient-monitoring and respiratory-care systems, Bloomberg Business News reported from Pleasanton, California.

The transaction would extend Nellcor's reach in the \$2.5 billion-a-year U.S. market for respiratory care, by adding respirators and other products to its current line of monitors that measure oxygen levels in the blood. Puritan-Bennett, based in Kansas, makes respiratory equipment as well as anesthetic and resuscitating gases.

CURRENCY & INTEREST RATES

Cross Rates									
	1 U.S. dollar	1 British pound	1 French franc	1 German mark	1 Japanese yen	1 Swiss franc	1 Australian dollar	1 Canadian dollar	1 New Zealand dollar
Australian dollar	0.65	0.50	0.16	0.48	7.50	0.75	1.00	0.70	0.60
British pound	1.56	1.00	0.66	1.93	160.00	1.67	2.26	1.75	1.50
French franc	0.015	0.015	1.00	0.66	6.55	0.017	0.024	0.018	0.016
German mark	0.48	0.52	0.15	1.00	163.60	0.55	0.75	0.58	0.50
Japanese yen	0.007	0.006	0.00015	0.006	1.00	0.007	0.009	0.007	0.006
Swiss franc	1.35	1.33	0.06	1.82	143.75	1.00	1.35	1.00	0.87
Australian dollar	0.65	0.50	0.16	0.48	7.50	0.75	1.00	0.70	0.60
British pound	1.56	1.00	0.66	1.93	160.00	1.67	2.26	1.75	1.50
French franc	0.015	0.015	1.00	0.66	6.55	0.017	0.024	0.018	0.016
German mark	0.48	0.52	0.15	1.00	163.60	0.55	0.75	0.58	0.50
Japanese yen	0.007	0.006	0.00015	0.006	1.00	0.007	0.009	0.007	0.006
Swiss franc	1.35	1.33	0.06	1.82	143.75	1.00	1.35	1.00	0.87

Eurocurrency Deposits									
	1 month	3 months	6 months	9 months	12 months	18 months	24 months	36 months	48 months
Dollar	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
Swiss franc	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
Japanese yen	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
British pound	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
French franc	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
German mark	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50

Key Money Rates									
	1 month	3 months	6 months	9 months	12 months	18 months	24 months	36 months	48 months
Dollar	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
Swiss franc	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
Japanese yen	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
British pound	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
French franc	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50
German mark	4.50	4.75	5.00	5.25	5.50	5.75	6.00	6.25	6.50

EUROPE

ICI Outbids U.S. Rival In Battle for Grow Group

LONDON — Imperial Chemical Industries PLC claimed victory in its battle to become the world's largest producer of paint Monday, after the U.S. paint maker Grow Group Inc. accepted the British company's increased bid.

The \$22-per-share deal, worth about \$350 million, follows a two-week tussle with Sherwin-Williams Co. of the United States for control of Grow Group. ICI said the offer was unanimously recommended by Grow's board.

"We are confident that the investment in the Grow acquisition will create value and enhance ICI's earnings in its first full year," said John Danzeisen, chief executive of ICI Paints in North America.

ICI originally offered \$18.10 per share on May 1. The bid, which valued Grow at \$290 million, was accepted by the Grow directors. But Sherwin-Williams upped the ante a week later, bidding \$19.50 per share, or \$320 million.

Grow Group then held a sealed-bid auction and told bidders to submit their final offer by Sunday. ICI's bid beat Sherwin-Williams' \$20-a-share offer by \$2, Grow said.

Both bidders were attracted by the prospect of increasing market share in the United States, where a third of the world's paint is sold.

Sherwin-Williams said it would withdraw its offer to purchase shares in Grow Group at \$19.50 per share. It also said that subject to appropriate documentation, it would terminate litigation it had filed against the original Grow-ICI agreement.

Under the terms of the new ICI offer, the Venezuelan company Common CA has agreed to sell its 25 percent stake in Grow for \$21.40, while the remaining shareholders will be offered \$22.

The deal will sharply increase ICI's paint sales in the U.S. market.

Grow's sales in the year to June 30, 1995, are expected to exceed \$500 million. ICI's paint sales currently total around \$1 billion a year.

"It looks like they have won, in that the Grow board has accepted it," said Jeremy Chaney, an analyst with Kleinwort Benson Securities. "I think ICI probably wanted it more than Sherwin-Williams did and that they bid more to get ICI to pay up."

ICI shares closed 4.5 pence higher in London, at 774 pence. In New York, stock in Grow rose 62.5 cents, to \$21.875, while Sherwin-Williams shares rose \$1.125, to \$36.625.

John Lowrey, an analyst with Buckingham Research Group, said ICI's latest offer was closer to what Grow is worth. Grow posted sales of \$402 million for the year ended June 30, 1994; net profit was \$14 million.

"It's the difference between having two bidders and only one," Mr. Lowrey said. "It's an enormous difference in terms of realizing full value."

Charles Lambert, analyst with Smith New Court PLC, said "strategically it is a very sensible move," for ICI.

(Bloomberg, Reuters)

German Firm Has Key EU Approval For Ulcer Drug

By Brandon Mitchener
International Herald Tribune

BAD HOMBURG, Germany — Pantozol, a new ulcer drug that has fueled strong investor interest in the German pharmaceuticals, chemicals and baby-foods company Altana AG, has been approved for use throughout the European Union months ahead of schedule, the company said Monday.

Altana said regulatory approval for the drug's main chemical component, a so-called proton-pump inhibitor called pantoprazole, came through from the European Commission late last week.

"That means we can now sell Pantozol Europe-wide without having to seek any more approvals," said Klaus Schweickart, the company's chairman.

Altana's stock weakened on Monday, falling to 718 Deutsche marks (\$499.65), down 4 DM on the day. But that came after a sharp rise in the stock, which traded as low as 618 DM in March.

Since its introduction in Germany last September, Pantozol has gained a market share of more than 20 percent, largely at the expense of another ulcer drug, Losec, which is made by the Swedish pharmaceutical concern Astra AB.

Astra, which introduced its proton-pump inhibitor four years ago, has held a virtual monopoly on the world market for the inhibitors. But if Pantozol's success is repeated in other markets, sales could reach as high as 800 million Deutsche marks a year within three years, says Altana.

"We predict we'll have a world market share of 10 percent in three years, conservatively estimated," for ulcer drugs, Mr. Schweickart said.

Based on the initial success of Pantozol and other market factors, some analysts said sales of the drug could even reach twice as high as the company has predicted.

"In Germany alone, we expect pantoprazole to be able to capture a 40 percent market share in 1997 and reach a turnover of 300 million DM," said Alexander Blach, an analyst at Banque Nationale de Paris in Frankfurt, noting Altana's decision to price pantoprazole at a 15 percent discount to Losec.

Analysts at Bank Julius Bär, in a recent report, likewise called Altana's forecasts for sales of Pantozol "rather conservative."

Pantozol can be more readily combined with other

In Germany, Pantozol has a market share of more than 20 percent.

medications than Losec, an important consideration for the drug's generally older users, and it is easier to prescribe because a single dosage is good for most normal applications, analysts added.

Moreover, proton-pump inhibitors are expected to steal market share not only from Losec, but from other currently available ulcer drugs, which as a class represent the world's single largest market for medication, with sales of around \$8.5 billion a year.

But both Mr. Schweickart and Hermann Küllmer, the company's chief financial officer, cautioned that some analysts could be disappointed. The market's sharp appreciation against the firm and the pound "has made the export situation grave," said Mr. Küllmer.

Mr. Schweickart said other long-term risks include a new theory that ulcers are caused by bacteria rather than by stomach acid, and are therefore best fought with a combination of medications instead of just one.

Telecom Privatization Sells Out In Portugal

LISBON — The direct sale of Portugal Telecom shares is already oversubscribed ahead of its partial privatization on June 1, executives involved in the process said.

International and Portuguese investors have already submitted offers for 26 million shares of the 23 million available and could demand as many as 40 million before the end of the month, Fernando Castro e Silva of Esac Sociedade Financeira de Corretagem SA said Monday.

"The sale is going well in all areas, especially in Europe," said Mr. Castro e Silva, whose Lisbon-based company is part of Banco Esat, which is coordinating the privatization.

Pedro Fonseca of UBS Ltd. in London, which is also coordinating the sale, said the international sale was oversubscribed.

"We're getting interest from all quarters from the United States as well as Europe," he said.

"PT offers better prospects for growth, especially in basic services, than other European telecommunications providers," Mr. Castro e Silva said.

PT, Portugal's sole telecommunications operator, will sell a 26.3 percent stake on June 1 at a price to be fixed between 2,500 and 3,100 escudos per share, for up to 155 billion escudos (\$1.03 billion).

PT will announce the price on June 1 based on the orders received.

It will offer 23 million shares for direct sale to Portuguese and international investors and 27 million shares at a special session of the Lisbon exchange on June 1.

The 27 million shares will include 17 million for shareholders in the external telecommunications operator Marcomi, which PT absorbed in April; 7.5 million for PT employees, small investors and emigrants; 1.5 million for PT's bondholders; and 1 million for other shareholders.

PT, created in June last year from the merger of three state-run telecommunications companies, made a net profit of 25.2 billion escudos in 1994.

Investor's Europe				
Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
D J F M A M 1994 1995	D J F M A M 1994 1995	D J F M A M 1994 1995		
Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	EDE	425.69	419.92	+1.39
Brussels	Stock Exchange	1,616.15	1,584.78	+2.00
Frankfurt	DAX	2,059.47	2,055.13	+0.21
Copenhagen	Stock Market	359.30	358.53	+0.22
Helsinki	HEX General	1,943.69	1,894.93	+2.58
Oso	OBX	309.58	309.94	-0.12
London	FTSE 100	3,224.50	3,261.00	-0.72
Madrid	Stock Exchange	204.15	201.42	+1.34
Milan	MISTEL	76252	10,901.09	-3.43
Paris	CAC 40	1,979.54	1,965.46	+0.72
Stockholm	SX 16	1,707.24	1,577.68	+8.26
Vienne	ATX	1,018.77	1,022.20	-0.34
Zurich	SPI	1,602.36	1,777.14	-1.04

Source: Telekurs International Herald Tribune

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

B-C			
9%	BE Aero	100	100
10%	BE Aero	100	100
11%	BE Aero	100	100
12%	BE Aero	100	100
13%	BE Aero	100	100
14%	BE Aero	100	100
15%	BE Aero	100	100
16%	BE Aero	100	100
17%	BE Aero	100	100
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OFFICE OF THE ATTORNEY GENERAL

STATE OF NEW YORK

IN SENATE,

JANUARY 10, 1917.

REPORT

OF THE

COMMISSIONER OF THE LAND OFFICE

FOR THE YEAR ENDING DECEMBER 31, 1916.

PUBLISHED BY THE STATE PRINTING OFFICE, ALBANY, N.Y., 1917.

PRICE, FIFTY CENTS.

Monday's 4 p.m. Close

(Continued)

年次	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
人口	1,000,000	1,050,000	1,100,000	1,150,000	1,200,000	1,250,000	1,300,000	1,350,000	1,400,000	1,450,000	1,500,000	1,550,000	1,600,000	1,650,000	1,700,000	1,750,000	1,800,000	1,850,000	1,900,000	1,950,000	2,000,000	2,050,000	2,100,000	2,150,000	2,200,000	2,250,000	2,300,000	2,350,000	2,400,000	2,450,000	2,500,000	2,550,000	2,600,000	2,650,000	2,700,000	2,750,000	2,800,000	2,850,000	2,900,000	2,950,000	3,000,000	3,050,000	3,100,000	3,150,000	3,200,000	3,250,000	3,300,000	3,350,000	3,400,000	3,450,000	3,500,000	3,550,000	3,600,000	3,650,000	3,700,000	3,750,000	3,800,000	3,850,000	3,900,000	3,950,000	4,000,000	4,050,000	4,100,000	4,150,000	4,200,000	4,250,000	4,300,000	4,350,000	4,400,000	4,450,000	4,500,000	4,550,000	4,600,000	4,650,000	4,700,000	4,750,000	4,800,000	4,850,000	4,900,000	4,950,000	5,000,000	5,050,000	5,100,000	5,150,000	5,200,000	5,250,000	5,300,000	5,350,000	5,400,000	5,450,000	5,500,000	5,550,000	5,600,000	5,650,000	5,700,000	5,750,000	5,800,000	5,850,000	5,900,000	5,950,000	6,000,000	6,050,000	6,100,000	6,150,000	6,200,000	6,250,000	6,300,000	6,350,000	6,400,000	6,450,000	6,500,000	6,550,000	6,600,000	6,650,000	6,700,000	6,750,000	6,800,000	6,850,000	6,900,000	6,950,000	7,000,000	7,050,000	7,100,000	7,150,000	7,200,000	7,250,000	7,300,000	7,350,000	7,400,000	7,450,000	7,500,000	7,550,000	7,600,000	7,650,000	7,700,000	7,750,000	7,800,000	7,850,000	7,900,000	7,950,000	8,000,000	8,050,000	8,100,000	8,150,000	8,200,000	8,250,000	8,300,000	8,350,000	8,400,000	8,450,000	8,500,000	8,550,000	8,600,000	8,650,000	8,700,000	8,750,000	8,800,000	8,850,000	8,900,000	8,950,000	9,000,000	9,050,000	9,100,000	9,150,000	9,200,000	9,250,000	9,300,000	9,350,000	9,400,000	9,450,000	9,500,000	9,550,000	9,600,000	9,650,000	9,700,000	9,750,000	9,800,000	9,850,000	9,900,000	9,950,000	10,000,000	10,050,000	10,100,000	10,150,000	10,200,000	10,250,000	10,300,000	10,350,000	10,400,000	10,450,000	10,500,000	10,550,000	10,600,000	10,650,000	10,700,000	10,750,000	10,800,000	10,850,000	10,900,000	10,950,000	11,000,000	11,050,000	11,100,000	11,150,000	11,200,000	11,250,000	11,300,000	11,350,000	11,400,000	11,450,000	11,500,000	11,550,000	11,600,000	11,650,000	11,700,000	11,750,000	11,800,000	11,850,000	11,900,000	11,950,000	12,000,000	12,050,000	12,100,000	12,150,000	12,200,000	12,250,000	12,300,000	12,350,000	12,400,000	12,450,000	12,500,000	12,550,000	12,600,000	12,650,000	12,700,000	12,750,000	12,800,000	12,850,000	12,900,000	12,950,000	13,000,000	13,050,000	13,100,000	13,150,000	13,200,000	13,250,000	13,300,000	13,350,000	13,400,000	13,450,000	13,500,000	13,550,000	13,600,000	13,650,000	13,700,000	13,750,000	13,800,000	13,850,000	13,900,000	13,950,000	14,000,000	14,050,000	14,100,000	14,150,000	14,200,000	14,250,000	14,300,000	14,350,000	14,400,000	14,450,000	14,500,000	14,550,000	14,600,000	14,650,000	14,700,000	14,750,000	14,800,000	14,850,000	14,900,000	14,950,000	15,000,000	15,050,000	15,100,000	15,150,000	15,200,000	15,250,000	15,300,000	15,350,000	15,400,000	15,450,000	15,500,000	15,550,000	15,600,000	15,650,000	15,700,000	15,750,000	15,800,000	15,850,000	15,900,000	15,950,000	16,000,000	16,050,000	16,100,000	16,150,000	16,200,000	16,250,000	16,300,000	16,350,000	16,400,000	16,450,000	16,500,000	16,550,000	16,600,000	16,650,000	16,700,000	16,750,000	16,800,000	16,850,000	16,900,000	16,950,000	17,000,000	17,050,000	17,100,000	17,150,000	17,200,000	17,250,000	17,300,000	17,350,000	17,400,000	17,450,000	17,500,000	17,550,000	17,600,000	17,650,000	17,700,000	17,750,000	17,800,000	17,850,000	17,900,000	17,950,000	18,000,000	18,050,000	18,100,000	18,150,000	18,200,000	18,250,000	18,300,000	18,350,000	18,400,000	18,450,000	18,500,000	18,550,000	18,600,000	18,650,000	18,700,000	18,750,000	18,800,000	18,850,000	18,900,000	18,950,000	19,000,000	19,050,000	19,100,000	19,150,000	19,200,000	19,250,000	19,300,000	19,350,000	19,400,000	19,450,000	19,500,000	19,550,000	19,600,000	19,650,000	19,700,000	19,750,000	19,800,000	19,850,000	19,900,000	19,950,000	20,000,000	20,050,000	20,100,000	20,150,000	20,200,000	20,250,000	20,300,000	20,350,000	20,400,000	20,450,000	20,500,000	20,550,000	20,600,000	20,650,000	20,700,000	20,750,000	20,800,000	20,850,000	20,900,000	20,950,000	21,000,000	21,050,000	21,100,000	21,150,000	21,200,000	21,250,000	21,300,000	21,350,000	21,400,000	21,450,000	21,500,000	21,550,000	21,600,000	21,650,000	21,700,000	21,750,000	21,800,000	21,850,000	21,900,000	21,950,000	22,000,000	22,050,000	22,100,000	22,150,000	22,200,000	22,250,000	22,300,000	22,350,000	22,400,000	22,450,000	22,500,000	22,550,000	22,600,000	22,650,000	22,700,000	22,750,000	22,800,000	22,850,000	22,900,000	22,950,000	23,000,000	23,050,000	23,100,000	23,150,000	23,200,000	23,250,000	23,300,000	23,350,000	23,400,000	23,450,000	23,500,000	23,550,000	23,600,000	23,650,000	23,700,000	23,750,000	23,800,000	23,850,000	23,900,000	23,950,000	24,000,000	24,050,000	24,100,000	24,150,000	24,200,000	24,250,000	24,300,000	24,350,000	24,400,000	24,450,000	24,500,000	24,550,000	24,600,000	24,650,000	24,700,000	24,750,000	24,800,000	24,850,000	24,900,000	24,950,000	25,000,000	25,050,000	25,100,000	25,150,000	25,200,000	25,250,000	25,300,000	25,350,000	25,400,000	25,450,000	25,500,000	25,550,000	25,600,000	25,650,000	25,700,000	25,750,000	25,800,000	25,850,000	25,900,000	25,950,000	26,000,000	26,050,000	26,100,000	26,150,000	26,200,000	26,250,000	26,300,000	26,350,000	26,400,000	26,450,000	26,500,000	26,550,000	26,600,000	26,650,000	26,700,000	26,750,000	26,800,000	26,850,000	26,900,000	26,950,000	27,000,000	27,050,000	27,100,000	27,150,000	27,200,000	27,250,000	27,300,000	27,350,000	27,400,000	27,450,000	27,500,000	27,550,000	27,600,000	27,650,000	27,700,000	27,750,000	27,800,000	27,850,000	27,900,000	27,950,000	28,000,000	28,050,000	28,100,000	28,150,000	28,200,000	28,250,000	28,300,000	28,350,000	28,400,000	28,450,000	28,500,000	28,550,000	28,600,000	28,650,000	28,700,000	28,750,000	28,800,000	28,850,000	28,900,000	28,950,000	29,000,000	29,050,000	29,100,000	29,150,000	29,200,000	29,250,000	29,300,000	29,350,000	29,400,000	29,450,000	29,500,000	29,550,000	29,600,000	29,650,000	29,700,000	29,750,000	29,800,000	29,850,000	29,900,000	29,950,000	30,000,000	30,050,000	30,100,000	30,150,000	30,200,000	30,250,000	30,300,000	30,350,000	30,400,000	30,450,000	30,500,000	30,550,000	30,600,000	30,650,000	30,700,000	30,750,000	30,800,000	30,850,000	30,900,000	30,950,000	31,000,000	31,050,000	31,100,000	31,150,000	31,200,000	31,250,000	31,300,000	31,350,000	31,400,000	31,450,000	31,500,000	31,550,000	31,600,000	31,650,000	31,700,000	31,750,000	31,800,000	31,850,000	31,900,000	31,950,000	32,000,000	32,050,000	32,100,000	32,150,000	32,200,000	32,250,000	32,300,000	32,350,000	32,400,000	32,450,000	32,500,000	32,550,000	32,600,000	32,650,000	32,700,000	32,750,000	32,800,000	32,850,000	32,900,000	32,950,000	33,000,000	33,050,000	33,100,000	33,150,000	33,200,000	33,250,000	33,300,000	33,350,000	33,400,000	33,450,000	33,500,000	33,550,000	33,600,000	33,650,000	33,700,000	33,750,000	33,800,000	33,850,000	33,900,000	33,950,000	34,000,000	34,050,000	34,100,000	34,150,000	34,200,000	34,250,000	34,300,000	34,350,000	34,400,000	34,450,000	34,500,000	34,550,000	34,600,000	34,650,000	34,700,000	34,750,000	34,800,000	34,850,000	34,900,000	34,950,000	35,000,000	35,050,000	35,100,000	35,150,000	35,200,000	35,250,000	35,300,000	35,350,000	35,400,000	35,450,000	35,500,000	35,550,000	35,600,000	35,650,000	35,700,000	35,750,000	35,800,000	35,850,000	35,900,000	35,950,000	36,000,000	36,050,000	36,100,000	36,150,000	36,200,000	36,250,000	36,300,000	36,350,000	36,400,000	36,450,000	36,500,000	36,550,000	36,600,000	36,650,000	36,700,000	36,750,000	36,800,000	36,850,000	36,900,000	36,950,000	37,000,000	37,050,000	37,100,000	37,150,000	37,200,000	37,250,000	37,300,000	37,350,000	37,400,000	37,450,000	37,500,000	37,550,000	37,600,000	37,650,000	37,700,000	37,750,000	37,800,000	37,850,000	37,900,000	37,950,000	38,000,000	38,050,000	38,100,000	38,150,000	38,200,000	38,250,

日期	星期	晴雨	最高温度	最低温度	平均温度	湿度	风向	风力	气压	备注
1月1日	星期一	晴	15.0	5.0	10.0	75%	北风	3级	1015.0	
1月2日	星期二	晴	16.0	6.0	11.0	70%	北风	2级	1016.0	
1月3日	星期三	晴	17.0	7.0	12.0	65%	北风	2级	1017.0	
1月4日	星期四	晴	18.0	8.0	13.0	60%	北风	2级	1018.0	
1月5日	星期五	晴	19.0	9.0	14.0	55%	北风	2级	1019.0	
1月6日	星期六	晴	20.0	10.0	15.0	50%	北风	2级	1020.0	
1月7日	星期日	晴	21.0	11.0	16.0	45%	北风	2级	1021.0	
1月8日	星期一	晴	22.0	12.0	17.0	40%	北风	2级	1022.0	
1月9日	星期二	晴	23.0	13.0	18.0	35%	北风	2级	1023.0	
1月10日	星期三	晴	24.0	14.0	19.0	30%	北风	2级	1024.0	
1月11日	星期四	晴	25.0	15.0	20.0	25%	北风	2级	1025.0	
1月12日	星期五	晴	26.0	16.0	21.0	20%	北风	2级	1026.0	
1月13日	星期六	晴	27.0	17.0	22.0	15%	北风	2级	1027.0	
1月14日	星期日	晴	28.0	18.0	23.0	10%	北风	2级	1028.0	
1月15日	星期一	晴	29.0	19.0	24.0	5%	北风	2级	1029.0	
1月16日	星期二	晴	30.0	20.0	25.0	0%	北风	2级	1030.0	
1月17日	星期三	晴	31.0	21.0	26.0	0%	北风	2级	1031.0	
1月18日	星期四	晴	32.0	22.0	27.0	0%	北风	2级	1032.0	
1月19日	星期五	晴	33.0	23.0	28.0	0%	北风	2级	1033.0	
1月20日	星期六	晴	34.0	24.0	29.0	0%	北风	2级	1034.0	
1月21日	星期日	晴	35.0	25.0	30.0	0%	北风	2级	1035.0	
1月22日	星期一	晴	36.0	26.0	31.0	0%	北风	2级	1036.0	
1月23日	星期二	晴	37.0	27.0	32.0	0%	北风	2级	1037.0	
1月24日	星期三	晴	38.0	28.0	33.0	0%	北风	2级	1038.0	
1月25日	星期四	晴	39.0	29.0	34.0	0%	北风	2级	1039.0	
1月26日	星期五	晴	40.0	30.0	35.0	0%	北风	2级	1040.0	
1月27日	星期六	晴	41.0	31.0	36.0	0%	北风	2级	1041.0	
1月28日	星期日	晴	42.0	32.0	37.0	0%	北风	2级	1042.0	
1月29日	星期一	晴	43.0	33.0	38.0	0%	北风	2级	1043.0	
1月30日	星期二	晴	44.0	34.0	39.0	0%	北风	2级	1044.0	
1月31日	星期三	晴	45.0	35.0	40.0	0%	北风	2级	1045.0	

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Honda and Mazda Suspend Exports Of Targeted Cars

Bloomberg Business News

TOKYO — Honda Motor Co. and Mazda Motor Corp. have suspended exports of luxury cars targeted by the U.S. government for 100 percent tariffs, spokesmen for the companies said Monday.

Honda stopped shipping Legend models from its Sayama factory northwest of Tokyo on Friday, a spokesman said. Last year, Honda sold about 35,000 Legends in the U.S. market.

Mazda, meanwhile, halted exports of its 929 and Millennia models on Saturday, according to a company spokesman.

Casio's Results Show Yen Taking Toll on Exporter

Compiled by Our Staff From Dispatches

TOKYO — Casio Computer Co. said Monday the yen's appreciation held down the export-oriented company's profit in the year ended in March.

Consolidated current profit at the maker of calculators and digital watches slipped 4 percent, to 8.16 billion yen (\$94.5 million) from 8.54 billion yen the previous year.

With exports accounting for almost half of total sales, Casio was hurt by the rising yen's erosion of the value of profits made overseas.

Sales of advanced calculators, word processors, audio equipment and electronic oostbooks for children rose. Wristwatch sales, which analysts say make up one-fifth of the company's business, were down 4 percent.

Net profit fell 6 percent, to 5.03 billion yen, and sales rose 5 percent, to 401.68 billion yen. For the year to March 1996, Casio forecast pretax profit of 8.5 billion yen on sales of 405 billion yen. (AFP, Bloomberg, AP)

The Honda and Mazda cars were included in a list of 13 Japanese luxury models targeted for sanctions by the U.S. government. The sanctions are in retaliation for Japan's failure to open its automobile market to foreign competition.

Mickey Kantor, the U.S. trade representative, announced the sanction proposal Tuesday, May 16, following the breakdown of auto trade talks earlier in the month.

The White House is to make a decision on the tariffs, which would affect approximately \$5.9 billion worth of Japanese exports, on June 28. If enacted, however, the tariffs would be retroactive to March 20.

Toyota Motor Corp. and Nissan Motor Co. said they had no plans to alter domestic production or exports of vehicles included in the sanctions list. The other Japanese carmaker cited in the list, Mitsubishi Motors Corp., refused to comment.

The Honda spokesman said the suspension would remain until the United States makes a formal decision on the issue.

Honda's U.S. sales company has about four months' worth of Legend cars in inventory. Mazda said it had a U.S. inventory of about three months' worth of sales.

Toyota's April Sales Drop
Toyota Motor Corp. suffered drops in output, domestic sales and exports in April, while rival Nissan Motor Co. posted rises in all three areas, the companies said Monday, Agency France-Press reported from Tokyo.

Toyota said domestic vehicle production had fallen 6.2 percent from a year earlier. Domestic sales were down 5.4 percent, while exports fell 11.1 percent.

Nissan said domestic production jumped 16.9 percent and domestic sales rose 6.1 percent. Nissan's exports rose 9.3 percent.

Socialism's Engine Roars Chinese Carmaker Hails the Old Ways

By Patrick E. Tyler
New York Times Service



CHANGCHUN, China — Here in China's Motor City, the culture of communism is changing so slowly that only recently have the city fathers considered changing the name of Stalin Street to something less ideological.

Changchun is home to the No. 1 Automobile Works, or First Auto, an antiquated industrial combine with a bloated work force of 130,000.

Yet China's leaders say they believe that it can become a "pillar" industry and thus demonstrate that state-owned factories managed by smart Communist Party cadres can not only succeed but can also compete with the likes of Ford and Toyota.

"We are fortunate that we have the auto industry to lead the way," said Yin Wen, the city's first deputy mayor. "I went to Detroit, and I saw the mayor, and I told him that we are turning Changchun into another Detroit, making this our own Motor City — although the one difference is that in Changchun we have good social order, whereas in Detroit, you don't dare go out at night."

Ideology still runs deep in parts of China; while much of southern and coastal China may feel like the capitalist world, here in the northeast, the notion of the idealized socialist man working in the idealized socialist enterprise is making a comeback.

State enterprises, especially the large and medium-sized ones, are the pillars of our economy," Prime Minister Li Peng told the National People's Congress in March.

A visit to First Auto reveals how an undefined brand of socialism is slowly evolving from the old attitudes of the Iron Rice Bowl society, where the worker is cared for from cradle to grave.

Despite the talk of economic reform in the era of Deng Xiaoping, First Auto remains a thoroughly socialist enterprise that sprawls over more than 400 hectares (1,000 acres) on the edge of Changchun and is home to 300,000 workers, dependents and retirees.

The factory operates more than 26 schools as well as 10 kindergartens for the more than 20,000 preschoolers. Its construction department has built roads and even operates an antique trolley line.

Over the years, the company town has also provided 1,000 apartment buildings for more than 30,000 families.

The skyline around the city mixes Communist uniformity with some remnants of Japanese imperial architecture, dating from Changchun's role as the seat of occupied Manchuria from 1931 to 1945.

"The city of Changchun was occupied by the Japanese for 14 years," Mr. Yin said. "Now we are welcoming the Japanese to come back to the northeast and invest."

At present, the plant produces barely 200,000 vehicles a year, about one-quarter the output of a large Western auto plant. Plant officials acknowledge there are large numbers of idle and surplus workers but plead that they have not come upon a scientific technique for weeding them out.

There is talk in Beijing that the government and foreign investors will pump in bil-

ions of dollars over the next five years to lift First Auto's production to 1 million vehicles a year as part of a national strategy to develop an affordable "people's car."

Volkswagen AG came in 1988 with a production line for an expensive series of Audi sedans, increasingly the favorite car for China's Communist Party bosses now that driving a Mercedes can lead to a corruption investigation.

A second Volkswagen production line for Jetta and Golfs is under construction.

Though the factory's managers hope to shed their social-welfare burdens, significant reforms remain in the future.

"We would like to cut them off," said Li Shuzheng, the plant's Communist Party official responsible for propaganda and meeting foreign journalists. But, he added, "Our socialist enterprises are different from those in capitalist countries. We just can't let too many people flow out into society and be unemployed."

First Auto is a success story in Jilin Province, where 46 percent of the state-owned factories are losing money and where 120,000 workers have been sent home by factories that have no work.

The flagship of China's widely dispersed state auto industry of about 120 plants, the automaker said it made money in 1994, earning \$107 million on \$2.4 billion in sales.

But Mr. Li refused to explain how the company accounts for the substantial debt and other liabilities that are routinely excluded from profit calculations.

Unwilling to provide an annual report or statistics about the automaker's performance or financial condition, Mr. Li said, "Some of this stuff is secret."

What First Auto wants from foreigners, he added, is technology and investment without a lot of questions.

Indonesia Trades In Blackboards

Compiled by Our Staff From Dispatches

JAKARTA — The stock exchange left the era of handwritten orders behind Monday as it launched computerized trading and a longer business day from its new premises.

Although technical problems caused a five-minute suspension of trading early in the session, the market's chief regulator, Baceilus Rumi, said: "I'm excited about the prospects for the new system. It will help enhance liquidity, transparency and the process of cultivating more investment for Indonesia."

Under the old system, prices were written on a white board on the exchange floor. Now, all bids and offers will be entered into a computer, which will then match them. There is no physical location at which traders will meet to conduct business, and identities of parties to the trades will not be disclosed.

The system, often delayed by technical problems, originally was due to be launched in September 1994. The Jakarta exchange, which also lengthened its trading day by 90 minutes Monday, is one of the region's fastest-growing markets.

According to a U.S. Embassy report on economic trends in Indonesia, daily volume on the exchange rose to 21 million shares in 1994 from 27,000 in 1988, as the number of listed companies rose to 231 from 25.

Shares closed slightly higher in thin trading attributed to wariness of the new system. The composite index rose 2.68 points, to 461.39.

(Bloomberg, Reuters)

Astra's Earnings Jump
Indonesia's biggest carmaker, Astra International, posted a 96 percent surge in first-quarter profit, Reuters reported, but analysts said the yen's rise and inflation could erode earnings later in the year.

Astra, which also has interests in heavy industry, electronics and agriculture, said it had consolidated net profit of 92.5 billion rupiah (\$4.4 million) in the quarter.

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
10000		2400		20000	
9000		2200		18000	
8000		2000		16000	
7000		1800		14000	
D J F M A M		D J F M A M		D J F M A M	
1994 1995		1994 1995		1994 1995	
Exchange	Index	Monday Close	Prev. Close	% Change	
Hong Kong	Hang Seng	2,058.74	2,019.32	+0.50	
Singapore	Straits Times	2,150.38	2,158.93	-0.40	
Sydney	All Ordinaries	2,008.12	1,986.50	+0.64	
Tokyo	Nikkei 225	15,788.12	16,140.85	-2.18	
Kuala Lumpur	Composite	1,009.46	1,011.62	-0.21	
Bangkok	SET	1,316.41	1,323.74	-0.55	
Seoul	Composite Index	864.13	875.01	-1.26	
Taipei	Stock Market Index	6,705.50	5,757.85	-0.91	
Manila	PSE	2,704.85	2,725.96	-0.77	
Jakarta	Composite Index	461.39	458.71	+0.68	
Wellington	NZSE-40	2,118.89	2,131.39	-0.60	
Bombay	Sensitive Index	3,219.30	3,227.68	-3.26	

Source: Reuters International Herald Tribune

Very briefly:

- China will ease import restrictions on 367 items, including crude oil. Quotas on oil imports will be ended July 1, but importers will still have to register each shipment.
- Beijing will launch its first international investment house in July, a joint venture of Morgan Stanley & Co. and People's Construction Bank of China aimed at helping companies raise capital, advising state-owned businesses on adjusting to a market economy and easing foreign investors' entry into China.
- China's central bank closed all 18 private finance houses in the southern port city and capitalist outpost of Wenzhou, but it also criticized three state banks for restrictive practices making it difficult for customers to transfer funds or get loans.
- Singapore Airlines Ltd. shares gained after the company said profit rose 14 percent in the year ended March 31; the carrier's foreign-registered shares advanced 2.3 percent, to 12.80 Singapore dollars (\$9.19), while its local shares gained 1.3 percent, to 7.95.
- Komatsu Ltd. said consolidated pretax profit jumped 76 percent, to 24.48 billion yen (\$283.7 million), in the year ended in March, while sales rose 9 percent, to 918.91 billion yen; the construction company said it would continue increasing production abroad to defend itself against the yen's rise.
- Hyundai Motor Co. will reopen its car plant Tuesday after a six-day shutdown caused by a strike, but an alliance of unions at other Hyundai companies called for new protests.
- Acer Inc. of Taiwan and Apple Computer Inc.'s PowerPC unit are negotiating a strategic alliance to counter Intel Corp.'s dominance in semiconductors, a Taiwan newspaper reported.
- Malaysian Airline System Bhd. will have two of its Boeing Co. 747-200 passenger aircraft converted to cargo freighters by Boeing, at a cost of \$50 million, to increase its cargo operations' share of its total revenue.

Bloomberg, AFP, Reuters, AFX

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AMER GROUP

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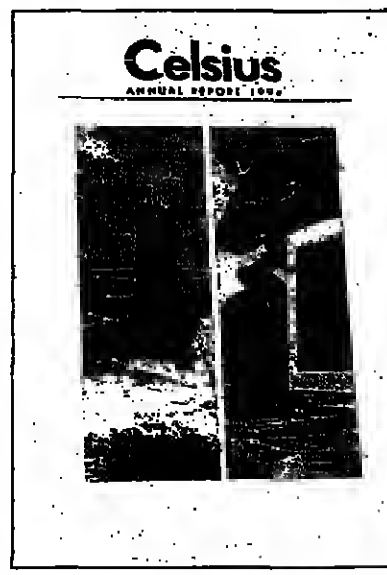
Amer Group specializes in marketing and manufacturing of brand goods, and focuses on sporting and other leisure time products. Wilson, a leading world-wide sporting goods company, MacGregor Golf Company and the Atlantic Group including its Dynamic and Oxygen brands represent approximately 60 % of the Group's net sales. Amer's other businesses are automotive trade, tobacco industry and Time/Systems Companies. Amer's offices are based in London and Helsinki. They are also available through an ADR facility in the US.



CARDO

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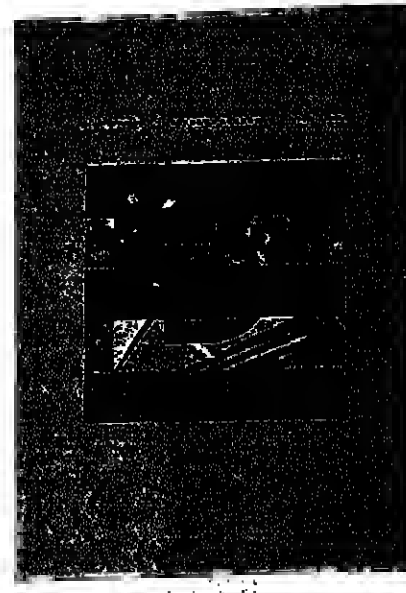
Cardo is an international industrial group with a turnover of SEK 5.5 billion. Cardo holds a strong position in the markets for industrial doors, centrifugal pumps and railway brakes — markets with good prospects for long-term growth. Earnings after financial income and expenses in 1994 increased by 75 percent to SEK 273 million (1993: SEK 156). Earnings per share rose by 80 percent to SEK 6.84 (1993: SEK 3.80). The good earnings trend is expected to continue in 1995. Cardo has a presence in 21 countries, and 95 percent of sales are made outside Sweden. Cardo's largest markets are Germany, France and Great Britain. Of the total workforce of roughly 5,700 employees, nearly 80 percent work abroad.



CELSIUS INDUSTRIES

3

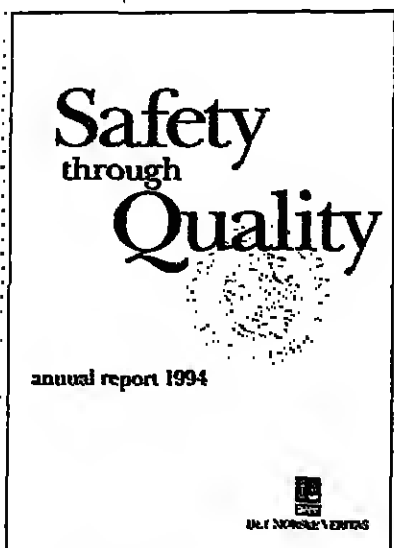
The Celsius Group reports a 1994 profit of SEK 904 M after financial items. The Group's strategic orientation towards defense and information technology (IT) operations continues. During the year, Celsius acquired the computer companies, Dilog and Eutro, now merged with the Group's other IT companies to form newly established Celsius Information Systems. Celsius Group, with sales exceeding SEK 15 billion, totals 17,000 employees. Listed on the Stockholm Stock Exchange since June 1993, the company has more than 20,000 shareholders.



DANISCO

4

COMPANY PROFILE
Danisco is one of the leading industrial groups in Denmark. 11,000 committed employees — of whom 4,500 are employed abroad — generated net sales amounting to DKK 13 billion in the financial year 1993/94. Production and sales subsidiaries in 30 countries in Europe, Asia and North and South America contribute to the group's growth within the four sectors: Food & Beverage, Sugar, Ingredients and Packaging. Development of managers and employees is one of the means to ensure this growth.



DET NORSKE VERITAS

5

An independent foundation established in 1864 to safeguard life, property and the environment, Det Norske Veritas today operates in 100 countries and on behalf of some 110 national maritime authorities. It is one of the world's leading marine classification societies. DNV formulates Rules for the construction of ships and offshore platforms; some 17 % of all ships currently on order will be built to DNV class. To land-based and offshore industry, DNV provides certification and consultancy services in safety, quality and environmental management. DNV's services are supported by extensive R & D facilities, with laboratories in Norway, the Netherlands, Singapore and the U.S.A. Worldwide, DNV employs some 3,600 staff. 1994 turnover totaled 2.9 billion NOK (U.S. \$447 million).



EUROC GROUP

6

Euroc specializes in the production and distribution of mineral-based building materials, primarily in the countries in the Baltic and North Sea regions. Earnings after net financial items and minority shares rose sharply in 1994, totaling SEK 871 M, compared with SEK 340 M in 1993. Cash flow and the Group's financial position were further strengthened. Euroc's major acquisition of strategic building material companies in Finland has turned out well. Synergistic gains were realized faster than expected and calculated at SEK 130 M, almost twice the amount estimated at the time of acquisition. Euroc's strong trend of earnings is expected to continue. Compared with 1994's results (excluding nonrecurring income), earnings are expected to increase 15-25 percent in 1995.



KEMIRA

7

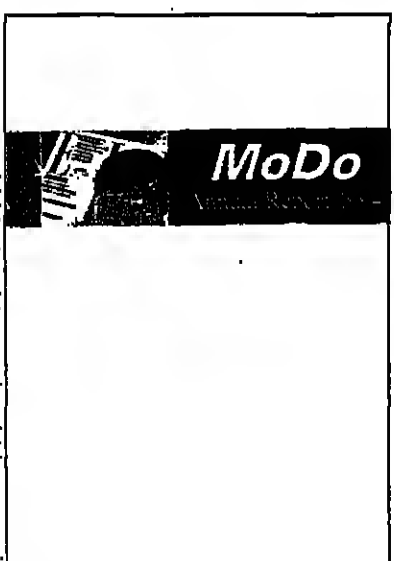
Kemira is a Finland-based chemical group whose main business areas are pulp and paper chemicals, water treatment chemicals, titanium dioxide pigments, plant nutrients and paints. Net sales in 1994 were USD 2.3 billion and operating income was USD 208 million, up by 20 %. The improved result was due to the cost-cutting that has been carried out at Kemira over the past years, to the concentration on our core areas and to the positive price trend in our markets. During the current year earnings are expected to continue their upward trend. Kemira's shares are quoted in the Helsinki Stock Exchange.



LKAB

8

LKAB is one of the world's leading producers of highly upgraded iron ore products. Approximately 85 % of the company's shipments go to European steel mills, but LKAB also exports to more distant markets in Asia. Gross revenues fell slightly in 1994 due to lower prices and volume, income before tax more than doubled due to a capital gain from a sale of shares. Demand for LKAB's products continued to be strong and deliveries were limited by production capacity. The new pelletizing plant was finished in December, increasing pelletizing capacity by 35 %. LKAB's iron ore prices will be raised by 12 % in 1995.



MODO

9

Modo is a leading international forest products company which is engaged in the production and sale of fine paper, wood-containing printing papers, paperboard, pulp and timber products. Modo is one of Sweden's largest exporters. Some 85 percent of its output is sold to customers abroad. The Group has wholly-owned production facilities in Great Britain and France, as well as in Sweden. Modo operates through its own marketing organizations in most European countries and in the USA. Modo also markets its products via agents and distributors in many other countries. The consolidated profit after net financial items for 1994 amounted to 1,825 million kronor. The Group had an average of 11,122 employees, of whom 5,290 were employed abroad. The year's total sales amounted to some 20 billion kronor.



NORSK HYDRO

10

Norsk Hydro founded in 1905 is an energy-based industrial group with the main products oilfield services, industrial chemicals, oil and gas, aluminium, magnesium and petrochemicals. With annual sales of NOK 71 billion and 32,000 employees worldwide, Hydro is one of the leading Scandinavian companies. The company's shares are traded on the main stock exchanges in Europe and in New York. In 1994, Hydro had an operating income of NOK 7.3 billion, an improvement of 80 percent from 1993. This progress was due to increased productivity and improved market conditions. All segments showed better results, especially the land-based activities. Lower oil price was compensated by increased production. The Annual Report includes an extensive Environmental Report.



NOKIA

11

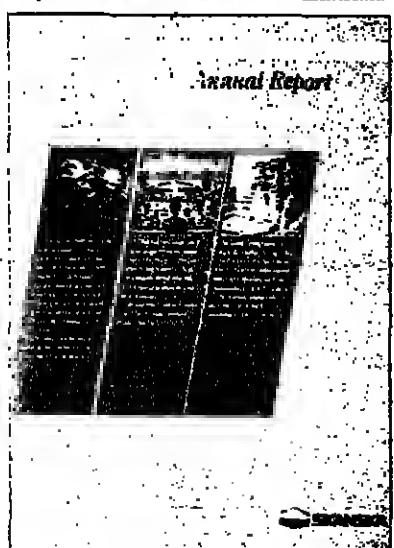
Nokia is a Finland-based international telecommunications group with net sales of USD 7.2 billion (FIM 30.2 billion), profit before taxes of USD 953 million and earnings per share of USD 10.5 in 1994. Nokia is the world's second-largest manufacturer of mobile phones, with sales in some 100 countries around the world. Nokia is also a pioneer in digital switching and cellular telephone technology, with strong positions in global markets for analogue and digital GSM-based cellular infrastructure. Nokia comprises four business groups: Nokia Telecommunications (25 % of net sales in 1994), Nokia Mobile Phone (25 %), Nokia Consumer and Industrial Electronics (22 %) and Nokia Cables and Machinery (16 %). Nokia's shares are traded on Helsinki, London, New York, Paris, Frankfurt and Stockholm stock exchanges.



SCA

12

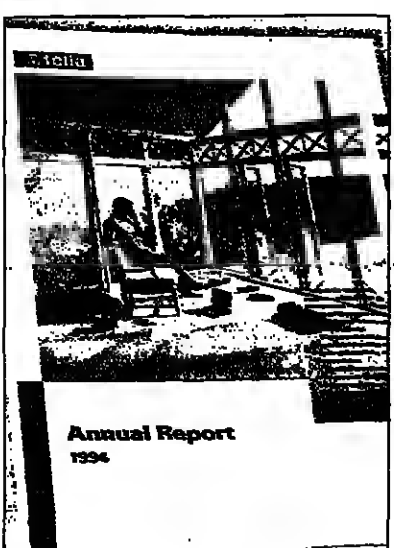
SCA is a market-oriented company operating in the areas of hygiene products, packaging and graphic papers. SCA also owns extensive forest lands and sawmill operations. SCA has approx. 35,000 employees in 20 countries. The SCA share is listed on the stock exchanges in Stockholm and London. SCA is listed: Net sales SEK 33,616 M (33,620). Earnings after financial net SEK 1,050 M (1,210). Earnings per share after tax SEK 2.94 (3.82). Forecast 1995: Net sales is estimated to amount to approx. SEK 63 billion. Earnings after financial net are expected to amount to SEK 4.5-5.0 billion, corresponding to approx. SEK 15 per share after tax.



SKANSKA AB

13

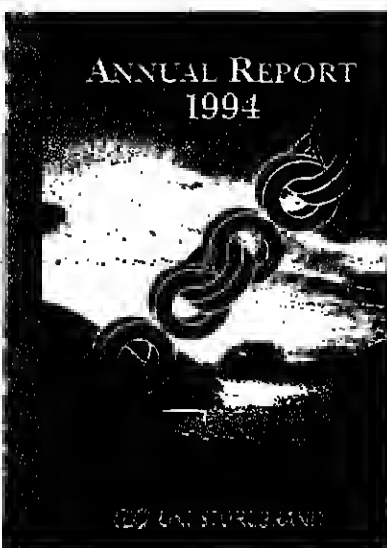
Skanska's international expansion continued in 1994. U.S. operations doubled in volume due to the acquisition of Beers Construction and in Finland Skanska established a new subsidiary. Operations outside Sweden rose to 34 percent of Skanska Group's total sales. The year-end book value of the entire property holdings was SEK 19,960 M. During the spring of 1995, the formation of a separate hotel company made the first real restructuring of Skanska's real estate holdings. The Group strengthened its financial position. Its adjusted equity/equity ratio rose to 75 percent, excluding surplus values in real estate, while net indebtedness fell to SEK 13,171 M. The year-end market value of the Group's stock portfolio amounted to SEK 13,171 M.



TELIA

14

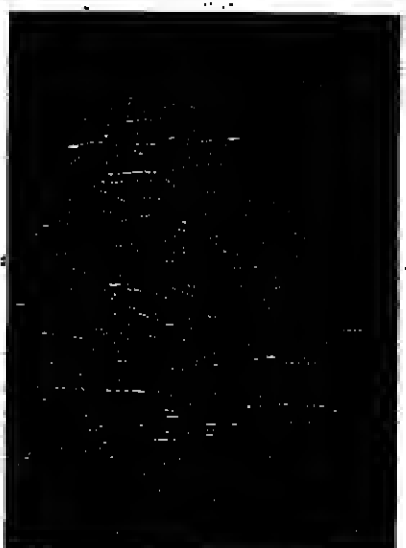
The Telia Group offers public and private networks for telephony, data communications and mobile telephony. Telia is a co-owner of Unifone together with PTT Telecom Netherlands, Swiss Telecom PTT and Telefonía de España. In 1994, the Telia Group's revenues totaled SEK 38,000 million. Return on capital employed was 12.3 %. Telia invested a total of SEK 8,300 million. Telephone traffic rose 3.2 %. Network performance was 99.7 %.



UNI STOREBRAND

15

Uni Storebrand is Norway's leading private supplier of financial security and insurance to people and companies. With total assets of NOK 97.8 billion (USD 16.0 billion), net premium income of NOK 14.4 billion (USD 2.4 billion) and approximately 4,100 employees, Uni Storebrand represents one of Norway's largest companies. The company covers their customers' diverse requirements for products which provide insurance against unexpected events and offer a high and secure return on savings. The business is mainly directed towards the Norwegian market, with market share of 40.9 percent in the non-life business and 20.9 percent in the life business. The company also has a significant position in international marine and energy insurance.



VALMET

16

Valmet is a leading world supplier of printing paper, board and tissue machinery. The Corporation's special businesses include Sampo-Valmet's automobile production, Avstoria Industries and Power Transmission. Valmet's net sales in 1994 totaled about FIM 8.3 billion. There are about 12,000 employees, of which one third are outside Finland. Paper and board machinery and their related process control systems account for more than 60 % of net sales. The most important market areas are Western Europe (half all together) and North America (justly a third). The share of the growing Asian market was 10 % in 1994. About 65 % of Valmet Corporation's net sales are abroad. The Finnish State owns 50.0 % of Valmet's shares. 26.5 % of the shares are currently in foreign hands. Valmet's shares are traded in the Helsinki Stock Exchange, in the London SEAG system, and in the USA as American Depositary Receipts (ADRs).

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July 1, 1995

NBC: Innovations Make the Comeback Network Too Expensive for Suitors

Continued from Page 13

lucky, accounted for the turnaround, including the following:

- A unified program strategy, built around finding shows like "Friends" and "E.R." that appeal to a sophisticated, young adult audience.
- A willingness to make bold moves with programs perceived to be on the rise. In each of the last three years, in defiance of conventional wisdom, NBC has moved emerging comedies to new nights and to build blocks of comedy shows.
- Attention to detail, from scripts to casting to the visual presentation of the network. For example, NBC has eliminated the commercial breaks between shows by grouping commercials inside the programs.
- The selection of new executives, including several who began in television as program producers, not the usual route for network executives. "Producers are used to dealing with talent and costs and budgets and especially with pressure," Mr. Wright said.

In programming, the comeback started with Mr. Ohlmer's arrival. He fired previously hard-pressed executives like Warren Littlefield, president of NBC Entertainment, to concentrate on developing better shows.

Mr. Littlefield, who once faced blunt questions about why he should not be dismissed, has regained a reputation for developing some of television's smartest, highest-quality shows. "I got back to paying attention to the programming," he said.

NBC was also helped last season by other networks' mistakes. CBS made numerous bad calls on the programs it chose; ABC failed to generate any hits.

But timing was also a factor. During the same week they were meeting near Ossining, NBC executives made a move they had long wanted to try.

Having just learned that "Cheers" would not be back the next season, they moved "Seinfeld," then struggling on Wednesdays, to 9:30 P.M. Thursdays, after "Cheers," where it was able to reach the same audience because of its compatible style. Several years earlier, as part of an expensive deal to keep "Cheers" on the air, NBC had given the half-hour after "Cheers" to Paramount for another of that studio's shows, "Wings."

"Seinfeld" immediately established itself as a hit, and it became the centerpiece of Thursday nights the next year. At the same time, NBC moved "Cheers" reruns to 8 P.M. Thursdays. The success of that move proved to NBC that it did not have to begin a night with a show that appealed to children.

The next fall, it moved another sophisticated adult comedy, "Mad About You," to 8 P.M. Thursdays — a change that brought industry predictions of disaster. "Mad About You" was finding some success on Saturdays, and a network generally does not move a successful show.

But the move worked brilliantly. "The critical message was that adult-oriented comedy could work at 8 P.M.," Mr. Littlefield said.

The network also learned it could not "give away time periods," as Mr. Littlefield put it. Previous deals with producers of hits guaranteed them certain time periods and left no flexibility. "No one

gets the right to a time period — not Jerry Seinfeld, not anybody," he said.

Last fall, NBC broke with traditional strategy again, moving "Frasier," which had become an instant hit behind "Seinfeld" on Thursdays, to Tuesday nights to take on ABC's strong comedies. "Everybody said we were goofy," Mr. Ohlmer said. But by opening a new night for comedy, the move proved to be the best scheduling maneuver of any recent year.

This season, NBC was a close second to ABC in the ratings. Several analysts say that NBC is likely to be No. 1 next year.

This spectacular comeback has markedly changed the perception of NBC's overall business strategy, which was being written off two years ago as the futile flailing of a company without much expertise.

Though NBC had already diversified, establishing assets in cable television (CNBC and the Arts & Entertainment Channel, among others) and international television (the satellite-delivered Super Channel in Europe), the failures at the network were partly attributed to inattention of GE corporate management, which was said to be more interested in deal-making than in broadcasting.

Thanks to the surge this year by NBC's core business, the overall position of the network in the media marketplace is gaining wider respect. "They have great assets now they can rely on," Ms. Reif said. "CNBC is valuable now, and Super Channel is a great launching pad for Europe."

NBC will also become a presence in Asia.

Engineer Spins a Tale of Chip Spying

Employee Says He Secretly Aided China, Cuba and Iran

By Calvin Sims
New York Times Service

BUENOS AIRES — In a bizarre tale of industrial espionage, an Argentine engineer says he stole a wide variety of technical secrets from two leading computer-chip makers in the United States and provided the information to China, Cuba and Iran.

The technical information, he said, included computer chip designs and detailed instructions for manufacturing the 386, 486 and Pentium chips that power most personal computers in use today.

The engineer, Bill Gaede, said in an interview that he had taken the information from Advanced Micro Devices Inc. from 1983 to 1993 and from Intel Corp. in 1993 and 1994, when he worked for the companies.

Initially, he said, he was motivated by his Communist leanings. But after a visit to Cuba left him disillusioned, he continued for a time to steal for personal gain. After he finally told the CIA about his activities, he said, CIA officials put him in touch with the FBI, who urged him to keep up his contacts with Cubans.

Mr. Gaede said the data he provided to Cuban representatives had been passed on to the Soviet Union and East Germany in the last years of the Cold War.

Much of the detail that Mr. Gaede provides is corroborated, but his account of his involvement with foreign governments and the FBI could not be confirmed.

He provided detailed accounts of what he said were meetings with FBI agents, whom he named. Spokesman for the FBI refused to comment, but other law-enforcement officials said they were aware of Mr. Gaede and his activities, although they added that he had not been a government informant.

Because none of the nations cited by Mr. Gaede has sophisticated chip-making operations, the theft of the data would not damage the American companies soon. But the information might reduce the time needed to become competitive.

If nothing else, Mr. Gaede's tale of high-tech robbery raises questions about the vulnerability of corporations to industrial espionage and theft. Although Mr. Gaede did not have a valid visa to work in the United States, he obtained highly sensitive jobs at the nation's two leading semiconductor makers.

Mr. Gaede, 42, said he had decided to go public because he believed his telephone was being tapped and he was being followed, and he feared physical danger from Argentine or U.S. intelligence services. No charges have been filed against him, and he is not a fugitive.

At Advanced Micro Devices in Sunnyvale, California, Peter Coster, chief of security, said Mr. Gaede had stolen a "significant amount of intellectual property" and given it to Cuba, which passed it on to the Soviet Union and East Germany.

Company executives said they had not pressed charges against Mr. Gaede, who left the company voluntarily, because they had

no real evidence that he had stolen the data. "He certainly was in a position to do it, and we believe what he says is true," said Charles Malloy, a company spokesman.

At Intel, John Thompson, a spokesman, confirmed that Mr. Gaede had worked for the company but refused to say why he had left or under what circumstances. "We are not commenting at all on this issue," he said.

Mr. Gaede provided a copy of a letter to him on Intel stationery, dated May 31.

'He certainly was in a position to do it, and we believe what he says is true.'

Charles Malloy, spokesman for Advanced Micro Devices Inc.

1994, saying his employment had been terminated "due to your refusal to cooperate in a reasonable security investigation."

Mr. Gaede provided The New York Times with dates, times and places he says he met with Cuban representatives in Mexico, as well as what he says are tape recordings of conversations with FBI agents and a list of the agents he says he spoke with. The FBI provided with that list, declined to comment on it.

Technical specialists said foreign competitors, particularly Russia and China, might be able to use the chip designs and manufacturing techniques that Intel and AMD had spent billions of dollars developing to begin producing chips, narrowing the technological lead of the United States.

"The Chinese and Iranians are having a field day and are learning a lot about American manufacturing," Mr. Gaede said.

The specialists said the benefits to foreign competitors would not be evident for many years because the technology of the semiconductor industry advances so rapidly that designs and manufacturing techniques quickly become outdated.

Mr. Gaede, who had been working for Intel in Chandler, Arizona, said he returned to Argentina in September after Intel uncovered the theft and dismissed him. He said he had used a computer given him by Intel to gain access to the company's database from his home. Using his video camera, he then would tape chip specifications from the computer screen.

"The technique allowed me to work undetected, store greater amounts of information in a smaller medium and make copies quicker for interested parties," he said.

Michael Slater, publisher of Microprocessor Report, an industry newsletter, said he found that part of Mr. Gaede's story difficult to believe, because he doubted Intel would allow an employee to get proprietary information about its latest chips through a home computer modem.

Mr. Gaede said he had joined the Communist Party in Buenos Aires in 1973 and in the mid-1970s was part of "a subversive cell" that opposed Argentina's repressive military regime. He and his wife, Viera, entered the United States with tourist visas in 1977, he said, and stayed 16 years.

In 1979, Mr. Gaede and his wife moved to California, he said, where he began to work for AMD.

"In 1986, we moved to Austin, Texas, where I continued to work as an engineer at Advanced Micro Devices," Mr. Gaede said in a written account he provided to The Times.

He added that the Cubans "recruited me as an industrial spy in the mid-'80s."

Mr. Gaede said he had sold some information directly to China and Iran for large sums, though he would not say how much. He also said he had regularly traveled to Mexico to hand information to Cuban representatives and had been invited to Cuba to visit Fidel Castro.

"The visits to the island, however, served to destroy what little was left of my socialist dreams," he said.

Mr. Gaede said he resigned from AMD in 1993 after he realized that the company would eventually detect his theft.

Later that year, he joined Intel and again began stealing technical information, which he sold to China and Iran. He said he was being paid by the two countries to show them how to use the information in their semiconductor industries. "I did what I thought I had to do to survive in this world, and I don't feel bad selling this stuff to the Chinese or the Iranians," Mr. Gaede said.

Advanced Micro confirmed that Mr. Gaede had worked there 14 years, beginning in 1979, and had been considered an exemplary employee. It said it learned that Mr. Gaede was an industrial spy only after he and his wife, also an AMD employee, had not shown up at work for several weeks.

Colleagues asked the company to investigate, and when investigators arrived at the Gaede home, they found two cars in the driveway and what appeared to be people sleeping in the bedroom. The investigators discovered, however, that the beds contained stuffing, and they learned that the Gaedes had taken a rental car to the airport for a flight to Mexico.

Asked how Mr. Gaede could be hired and promoted without anyone checking his background and determining that he was an illegal alien, Mr. Malloy of AMD said, "He joined the company before these safeguards were put in place, and he was a good employee, and we had no reason to suspect him."

He added, "In the 16 years since Mr. Gaede joined the company, AMD has taken extraordinary steps to do better background checks."

Mr. Gaede said he began acquiring Intel data after realizing that the FBI "was not going to let me off the hook for my dealings with Cuba, nor were they going to prosecute me; they just wanted to use me."

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REAL ESTATE TO RENT/SHARE

SPORTS

Red Wings Blank Sharks in Opener

During the regular season, the San Jose Sharks couldn't hit a goal at Joe Louis Arena. Nor can they in the playoffs. The Detroit Red Wings continued their season-long domination with a 6-0 victory Sunday in the first game of their Western Conference semifinal. It was a satisfying victory for the Red Wings, who were top-

over visiting Vancouver in the other Western Conference semifinal.

Murphy wrenched the puck past goaltender Kirk McLean, low to the glove side, after taking a pass in front from Bernie Nicholls. Murphy has scored in five consecutive games, and has three winning goals.

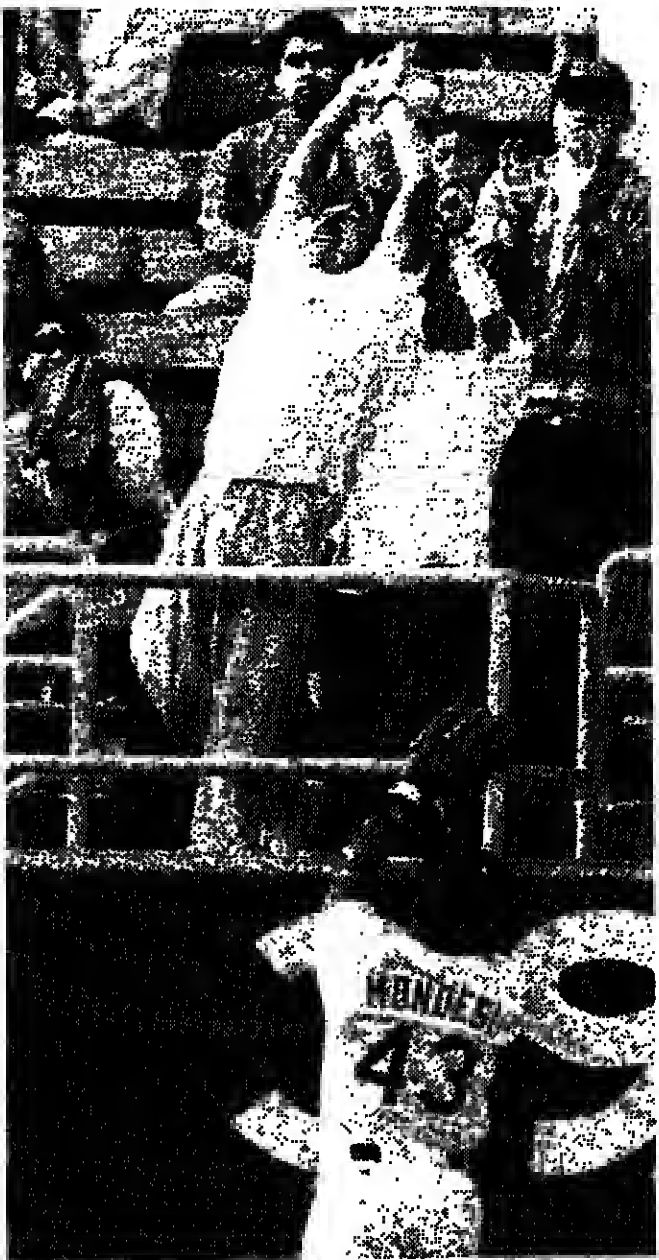
The Blackhawks, 4-0 this season against the Canucks, won even though they had a first-period goal disallowed and the Canucks were awarded a controversial goal the next period.

The game was scoreless until Trevor Linden scored for Vancouver with 18 seconds left in the second period. Officials held up the game for five minutes while watching a video replay to make sure the puck crossed the goal line. Denis Savard tied the game for Chicago with 9:58 left in regulation.

Flyers 5, Rangers 4: In Philadelphia, Eric Desjardins scored his second goal 7:03 into overtime of an Eastern Conference semifinal opener against New York.

Desjardins, whose other goal, in the third period, put the Flyers ahead by 4-3, beat goaltender Mike Richter with a 30-footer through a screen.

The Flyers' other three goals were scored by John LeClair, for his first playoff hat trick of his career. Pat Verheek scored twice for the Rangers, his second goal, with 19 seconds left in the third period, forcing overtime.



When Sammy Sosa's two-out drive in the 13th flew over Raul Mondesi and into the seats, the Cubs had a sweep.

Unexpected Trio of Teams Leads League

The Associated Press

Look who's in first place in the National League. The Chicago Cubs, Philadelphia Phillies and Colorado Rockies, three teams expected to struggle with a shortage of proven starting pitchers, instead are holding comfortable leads in their divisions with the season a little more than three weeks old.

The Cubs finished a three-game sweep of the Los Angeles Dodgers on Sunday with a 2-1 victory in 13 innings. Sammy Sosa broke a 1-1 tie with a two-out homer, his eighth this year, which gave him eight hits in the series. Chicago, which is 24 games in front of Houston, also became the first major league franchise to win 9,000 games.

"This game is something that we're never going to forget,"

Sosa said. "This is the first time we've swept this year and we're very happy about it."

The Cubs eked out their victory in Los Angeles despite get-

Vinny Castilla hit a homer in the seventh and Mike Kingery and John Vander Wal hit solo homers in the ninth, while the Reds stranded six runners in scoring position and had another thrown out at third.

Astros 5, Expos 2: Craig Biggio hit a two-run homer in Houston, Greg Swindell got his first victory over Montreal and the reliever John Hudek drove in two runs in his first major league at-bat.

Cardinals 9, Giants 7: A backup shortstop, Tripp Cramer, hit his second homer in two days to spark a three-run fifth that gave St. Louis the lead for good in San Francisco.

Pirates 6, Padres 1: Denny Neagle pitched a five-hitter in San Diego for his third straight

victory and Pittsburgh's fifth in six games.

A former Padre catcher, Mark Parent, hit his fifth homer of the season, while Orlando Merced went 4 for 4 and Jeff King was 3 for 3 with two RBIs.

In earlier games, reported in some Monday editions: Braves 5, Marlins 1: John Smoltz (3-2) took a no-hitter into the sixth in Atlanta, which swept the team with the worst record in baseball. David Justice and Chipper Jones each drove to two runs for the Braves.

Phillies 5, Mets 3: Philadelphia, playing at home, got four runs in the first inning against New York's starter, Bobby Jones. Charlie Hayes drove in two runs and was one of three Phillies with two hits.

NHL PLAYOFFS

seeded last year, too, when ousted by the upstart Sharks in the first round.

But this was the Red Wings' third shutout in three home games against San Jose this season. And they had won all five previous 1995 games while outscoring the Sharks by 19-4, and outshooting them by 145-67.

"I thought Detroit was the best team in the Western Conference last year, but they are a better team this year," said San Jose's coach, Doug Brown.

Mike Vernon made just 15 saves in his first playoff shutout since 1989, while Dino Ciccarilli, Paul Coffey, Doug Brown, Ray Sheppard, Sergei Fedorov and Kris Draper scored the goals, three on power plays, one while short-handed. The Red Wings outshot the Sharks, 33-15.

"It's too early to say what is different this year," said Fedorov, who has three assists. "They just came off a tough Game 7 in Calgary, and that would be tough on any team."

Blackhawks 2, Canucks 1: Joe Murphy scored 9:04 into overtime as Chicago took a 1-0 lead

SCOREBOARD

Major League Standings

Team	W	L	Pct.	GB
American League East				
Baltimore	12	4	.750	0
New York	10	6	.625	2
Detroit	10	6	.625	2
Toronto	10	6	.625	2
Baltimore	10	6	.625	2
Central Division				
Cleveland	15	4	.789	0
Minnesota	12	6	.667	3
Kansas City	10	6	.625	5
Chicago	9	7	.563	6
Minnesota	8	14	.364	11
West Division				
Seattle	12	6	.667	0
Oakland	12	6	.667	0
Texas	12	6	.667	0
National League East				
Philadelphia	12	4	.750	0
Atlanta	10	6	.625	2
Montreal	10	6	.625	2
New York	10	6	.625	2
Florida	10	6	.625	2
Central Division				
Chicago	12	4	.750	0
Houston	10	6	.625	2
Cincinnati	10	6	.625	2
St. Louis	10	6	.625	2
Pittsburgh	10	6	.625	2
West Division				
Colorado	12	4	.750	0
San Francisco	12	4	.750	0
San Diego	12	4	.750	0
Los Angeles	12	4	.750	0

Sunday's Line Scores

Team	W	L	Pct.	GB
American League				
Baltimore	6	0	1.000	0
New York	0	6	.000	6
Philadelphia	6	0	1.000	0
Atlanta	0	6	.000	6
Montreal	0	6	.000	6
New York	0	6	.000	6
Florida	0	6	.000	6
Central Division				
Chicago	6	0	1.000	0
Houston	0	6	.000	6
Cincinnati	0	6	.000	6
St. Louis	0	6	.000	6
Pittsburgh	0	6	.000	6
West Division				
Colorado	6	0	1.000	0
San Francisco	0	6	.000	6
San Diego	0	6	.000	6
Los Angeles	0	6	.000	6

AMERICAN LEAGUE

Team	W	L	Pct.	GB
East				
Baltimore	12	4	.750	0
New York	10	6	.625	2
Detroit	10	6	.625	2
Toronto	10	6	.625	2
Baltimore	10	6	.625	2
Central				
Cleveland	15	4	.789	0
Minnesota	12	6	.667	3
Kansas City	10	6	.625	5
Chicago	9	7	.563	6
Minnesota	8	14	.364	11
West				
Seattle	12	6	.667	0
Oakland	12	6	.667	0
Texas	12	6	.667	0

NATIONAL LEAGUE

Team	W	L	Pct.	GB
East				
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Houston	10	6	.625	2
Cincinnati	10	6	.625	2
St. Louis	10	6	.625	2
Pittsburgh	10	6	.625	2
West				
Colorado	12	4	.750	0
San Francisco	12	4	.750	0
San Diego	12	4	.750	0
Los Angeles	12	4	.750	0

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Texas	12	6	.667	0

NATIONAL LEAGUE

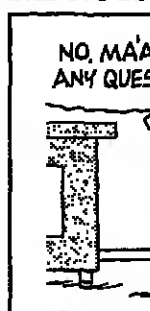
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Cincinnati	10	6	.625	2
St. Louis	10	6	.625	2
Pittsburgh	10	6	.625	2
West				
Colorado	12	4	.750	0
San Francisco	12	4	.750	0
San Diego	12	4	.750	0
Los Angeles	12	4	.750	0

DENNIS THE MENACE



MOON WANTS TO KNOW IF IT'S BAD ENOUGH TO CALL A PLUMBER YET?

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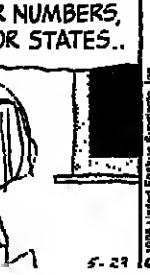
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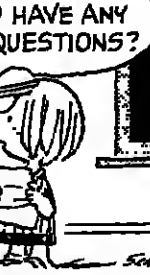
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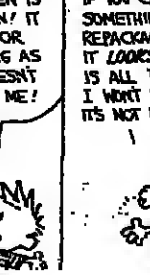
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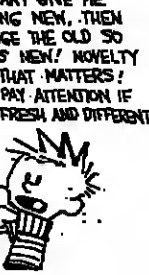
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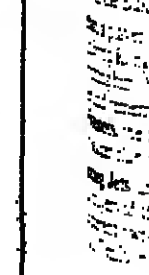
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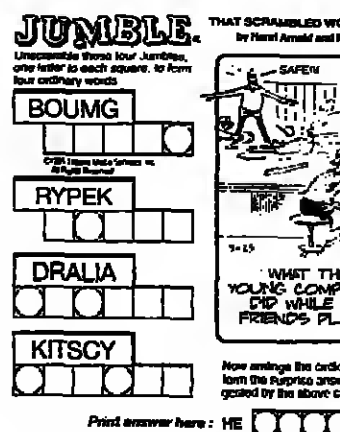
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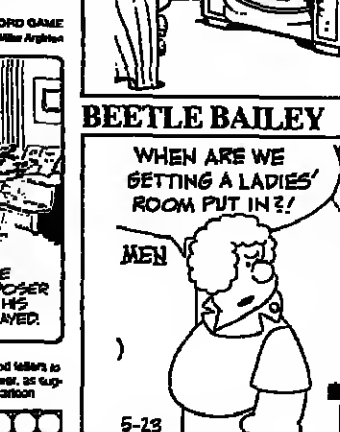
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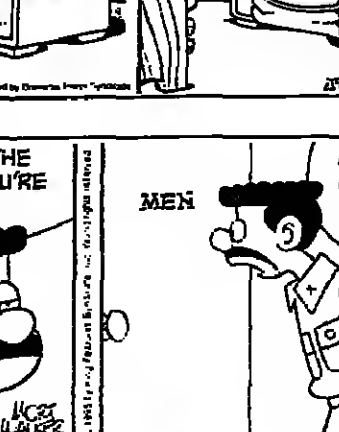
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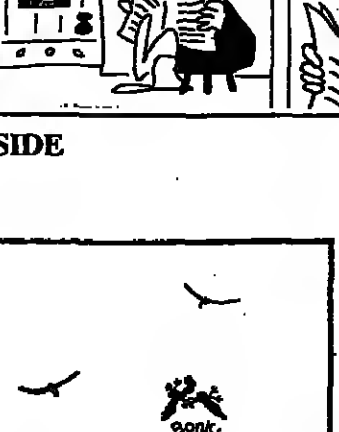
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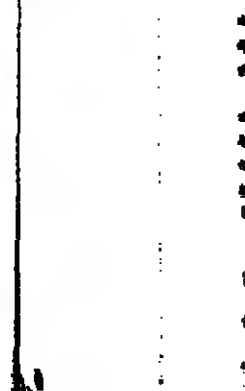
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ART BUCHWALD

Graduate Rain Check

WASHINGTON — Every spring I choose one graduating class to address. This year was very special because I spoke to one that never was. On Sunday, May 14, George Washington University was supposed to hold its graduation. Chairs had been set up outdoors on the Ellipse to accommodate 3,000 students and 17,000 guests.

Buchwald

At 9 that morning it began to rain. The university officials, having failed to make any alternative plans, called off the graduation. I was one of the guests. The daughter of a friend of mine was expecting to get her master's degree.

When to everyone's dismay the graduation was called off, we retired to the Four Seasons for a disconsolate brunch. It was there that I was prevailed upon to speak at a graduation that never happened.

"My fellow Americans: This is the greatest day of your life or at least it could have been if someone hadn't rained on your parade. Your administration feels sick about the inconvenience, but it urges you to turn this into an educational experience that you will remember in the years to come."

"You are experiencing your first 'life is unfair' trauma, or what people in charge of graduations call an 'act of God.' This means that if you or your relatives and friends who came from all over the globe are upset, you should blame the Lord, not GW, for failing to have a backup plan."

"In the academic world, we call a failed graduation tough

luck and obviously something that no administration is pleased with. But there's no reason for parents who shelled out \$100,000 to make a big deal of it.

"And one more thing — just because you paid a \$50 fee for your cap and gown doesn't mean you're going to get it back even though your graduation never took place. Originally your school intended to use the \$50 fee as a contribution to find out why no administrator thought to have a Plan B — despite the fact that the weather experts had forecast rain."

"I wish that I could hand each of you your diploma, but I can't because by now almost every graduate and his family are speeding down the highway hardly talking to one another because someone goofed."

"I know that many of you are asking, 'Why me?' As a truly educated person you should be asking, 'Why not me?' When thinking back on this day, you will always remember that even though it was wet at GW, the rain in Spain stays mainly in the plain."

"Could this graduation, and the 20,000 people who had hoped to be part of it, have been held in a dry gymnasium or Constitution Hall or the Kennedy Center?"

"Yes, it could have, but that would have meant someone needed to think about it. You can't assume that university administrators with Ph.D.s think."

"My fellow students, do not despair because you are out in the cold in your rented caps and gowns. In the years ahead when your children ask you what you did on graduation day, you can honestly say, 'I was canceled.'"

"I'm pleased to report that, although it was a small crowd at the Four Seasons, I received a standing ovation from all the disappointed families in the room."

Jennifer Jason Leigh: A Family Production

By Joan Dupont
International Herald Tribune

CANNES — In "Georgia," Jennifer Jason Leigh plays Sadie, a disjunct punk doll of a singer who hangs on to the mike for dear life, coal-black makeup streaming from her eyes. Leigh stars and is a producer of this story of two sisters, written by her mother, Barbara Turner. Georgia is the gifted sister, a rock star; Sadie — drinking, smoking, shooting up — tries harder. The film, directed by Ulu Grosbard, set in Seattle, took shape at Cannes last year, when Leigh was with Alan Rudolph's "Mrs. Parker and the Vicious Circle."

"The theme of sisters has always interested me because I think I am who I am largely because of my two sisters," she says. "There are not that many sister stories in literature, and fewer still on film, so I got my Mom, my favorite screenwriter, to write one."

The movie involved not only family but old friends. Georgia is played by Mare Winningham,

CANNES FILM FESTIVAL

an actress, songwriter and singer, who met Leigh when they were teenagers in a California summer camp. Winningham once played a teenage runaway based on Turner's oldest daughter.

Known for astonishing turns of women on the edge, Leigh, at 32, looks nothing like the kid from the cult comedy "Fast Times at Ridgemont High," or her recent tour de force as tightly-strung Dorothy Parker. Small and wiry with a body as supple as her face is mobile, she moves with an unobtrusive slide, and shrinks from the Cannes sunlight.

"I just burn." A Pepsi-Cola drinker and a chain-smoker, she burns with solemn intensity. Her creation of smoky-eyed Sadie comes from some untapped source.

The film, which is a French production and won strong response here, has no U.S. distributor as yet. It was not selected for the festival competition, where Leigh would have had a shot at the best actress award, but for the sidebar "Un Certain Regard" section. Leigh isn't the type the festival organizers go for, according to a source close to the production: She's not a Sophie Marceau. This movie is about emotion between women, and the people in charge of selection are conservative Frenchmen, says another source.

Leigh leaves Sadie on a loopy, jerky leash, but lets her go over the edge only once. "I wanted to play someone who has a desperate dream. On top of that, she has a sister who is a natural — I thought that was rich. Both my sisters have



Jennifer Jason Leigh in Cannes, where "Georgia," her new film, is being shown.

amazing singing voices, and I don't. I was the middle daughter, surrounded by beautiful voices. My Mom has a great singing voice; my sister Carrie played piano, so she was so gifted."

Carrie ran away when she was 16. "She had a rough go, but she was always the most generous, courageous, gut person. I was always the thinker. I was 13 when Carrie joined the carnival. I watched her and then went inside myself."

Leigh's younger sister, Mina Badie, has a small part in the film. Everybody in this family seems to have a different name and identity. Leigh is Jennifer's middle name, and Jason is a name she adopted because of a family friend, Jason Roberts.

The girls' father, actor Vic Morrow, was

killed in a helicopter accident on location. "I was 20 when my father died, I don't talk about it because it's too painful. This is a family that has had pain, definitely. I love my Mom's writing. She understands character in such a deep way, she never overwrites."

The film explores the silences between sisters in a family that has been orphaned. Georgia mother Sadie hangs on to Georgia.

"Sadie wants to merge with Georgia, who is always rescuing her, she would like to be in Georgia's back pocket. But they don't really know each other. So this is about how you can be close and yet be strangers. Georgia never asked for her girls — how can you deal with somebody who wants things you never asked

for? Georgia can give Sadie her clothes, money, but she can't give Sadie her gift. There's a rivalry that Sadie can't admit to: she just worships Georgia without realizing that her worship is eating her sister alive. But Sadie does have something Georgia doesn't have — a willingness to be in life and feel things completely, even if they hurt. That's her gift."

There is a terrible moment in which Sadie gets a chance to sing on stage next to her sister and breaks out in a rambling recreation of Van Morrison's "Take Me Back," despair in her faltering voice. Fascinated by Sadie's agony — and Leigh's true grit — Grosbard let the scene run on for 8½ minutes. At festival screenings, the audience applauded.

"Sadie is not a singer. I know that, because I steal from everybody. What's interesting is, the more Sadie steals the more unique she becomes," Leigh says. "I was stealing from Chet Baker. I was stealing from Janis Joplin. When I do the Van Morrison song, I was doing as much of a tribute as I could, but it's still Sadie that comes through."

Leigh paid attention to the character's forlorn physical appeal: "I found it in the rehearsal. When I research a part, I'm very cerebral. I meet people, and read as much as I can. Then when I act, I just let it all go. Sadie's body is very exposed; she's reaching out to hold onto someone, because she feels like she's going to spin off the planet. A lot of her physical behavior is about getting attention. And in life, a lot of my physical behavior is about not getting attention." She laughs. "I hide, I duck, I'm terribly shy, which is why I love acting."

She has worked with Barbet Schroeder, the Coen brothers — who are independents in the system and respond to her ability to go for risk.

"The characters I'm drawn to are, I think, the most exciting to play, the deepest territory to explore." She admires foreign films, "like Jane Campion's 'Sweetie,' about those two sisters — so specific and odd, yet I identify strongly. I feel I know that bizarre girl. What Hollywood gives you to identify with is something that makes me feel alienated. I don't recognize the women in films that we make over there. They're not flawed, and if they have pain, it's generic pain, you know, a headache commercial. I don't feel what that life is. I just see a movie."

As for Sadie, she shakes her head. "I hate to say what's in store for a character, but I think the one bridge she knows she cannot burn, she burns. It's so sad. Sadie is a survivor though, a boxer; she keeps getting beaten and gets up vowing, this time, it's not going to happen. She has blood all over her, and her nose is broken, but she's still up there."

WEATHER

Europe

Location	Today	Tomorrow
Algeria	23/27 16/21	23/27 16/21
Amsterdam	18/24 12/15	19/26 13/15
Athens	24/28 12/15	25/27 17/23
Berlin	22/27 16/21	23/27 16/21
Bombay	22/27 16/21	23/27 16/21
Buenos Aires	22/27 16/21	23/27 16/21
Calcutta	22/27 16/21	23/27 16/21
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Copenhagen	22/27 16/21	23/27 16/21
Dublin	22/27 16/21	23/27 16/21
Frankfurt	22/27 16/21	23/27 16/21
Geneva	22/27 16/21	23/27 16/21
Helsinki	22/27 16/21	23/27 16/21
Istanbul	22/27 16/21	23/27 16/21
London	22/27 16/21	23/27 16/21
Madrid	22/27 16/21	23/27 16/21
Moscow	22/27 16/21	23/27 16/21
Mumbai	22/27 16/21	23/27 16/21
Nairobi	22/27 16/21	23/27 16/21
Paris	22/27 16/21	23/27 16/21
Rangoon	22/27 16/21	23/27 16/21
Rome	22/27 16/21	23/27 16/21
Sao Paulo	22/27 16/21	23/27 16/21
Seoul	22/27 16/21	23/27 16/21
Shanghai	22/27 16/21	23/27 16/21
Singapore	22/27 16/21	23/27 16/21
Taipei	22/27 16/21	23/27 16/21
Tokyo	22/27 16/21	23/27 16/21
Yokohama	22/27 16/21	23/27 16/21

Forecast for Wednesday through Friday, as provided by Accu-Weather.



Location	Today	Tomorrow
Algeria	23/27 16/21	23/27 16/21
Amsterdam	18/24 12/15	19/26 13/15
Athens	24/28 12/15	25/27 17/23
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Dublin	22/27 16/21	23/27 16/21
Frankfurt	22/27 16/21	23/27 16/21
Geneva	22/27 16/21	23/27 16/21
Helsinki	22/27 16/21	23/27 16/21
Istanbul	22/27 16/21	23/27 16/21
London	22/27 16/21	23/27 16/21
Madrid	22/27 16/21	23/27 16/21
Moscow	22/27 16/21	23/27 16/21
Mumbai	22/27 16/21	23/27 16/21
Nairobi	22/27 16/21	23/27 16/21
Paris	22/27 16/21	23/27 16/21
Rangoon	22/27 16/21	23/27 16/21
Rome	22/27 16/21	23/27 16/21
Sao Paulo	22/27 16/21	23/27 16/21
Seoul	22/27 16/21	23/27 16/21
Shanghai	22/27 16/21	23/27 16/21
Singapore	22/27 16/21	23/27 16/21
Taipei	22/27 16/21	23/27 16/21
Tokyo	22/27 16/21	23/27 16/21
Yokohama	22/27 16/21	23/27 16/21

Asia

Location	Today	Tomorrow
Bangkok	24/28 12/15	25/27 17/23
Bombay	22/27 16/21	23/27 16/21
Buenos Aires	22/27 16/21	23/27 16/21
Calcutta	22/27 16/21	23/27 16/21
Cardiff	22/27 16/21	23/27 16/21
Chennai	22/27 16/21	23/27 16/21
Copenhagen	22/27 16/21	23/27 16/21
Dublin	22/27 16/21	23/27 16/21
Frankfurt	22/27 16/21	23/27 16/21
Geneva	22/27 16/21	23/27 16/21
Helsinki	22/27 16/21	23/27 16/21
Istanbul	22/27 16/21	23/27 16/21
London	22/27 16/21	23/27 16/21
Madrid	22/27 16/21	23/27 16/21
Moscow	22/27 16/21	23/27 16/21
Mumbai	22/27 16/21	23/27 16/21
Nairobi	22/27 16/21	23/27 16/21
Paris	22/27 16/21	23/27 16/21
Rangoon	22/27 16/21	23/27 16/21
Rome	22/27 16/21	23/27 16/21
Sao Paulo	22/27 16/21	23/27 16/21
Seoul	22/27 16/21	23/27 16/21
Shanghai	22/27 16/21	23/27 16/21
Singapore	22/27 16/21	23/27 16/21
Taipei	22/27 16/21	23/27 16/21
Tokyo	22/27 16/21	23/27 16/21
Yokohama	22/27 16/21	23/27 16/21

Latin America

Location	Today	Tomorrow
Buenos Aires	22/27 16/21	23/27 16/21
Calcutta	22/27 16/21	23/27 16/21
Cardiff	22/27 16/21	23/27 16/21
Chennai	22/27 16/21	23/27 16/21
Copenhagen	22/27 16/21	23/27 16/21
Dublin	22/27 16/21	23/27 16/21
Frankfurt	22/27 16/21	23/27 16/21
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Istanbul	22/27 16/21	23/27 16/21
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Moscow	22/27 16/21	23/27 16/21
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Sao Paulo	22/27 16/21	23/27 16/21
Seoul	22/27 16/21	23/27 16/21
Shanghai	22/27 16/21	23/27 16/21
Singapore	22/27 16/21	23/27 16/21
Taipei	22/27 16/21	23/27 16/21
Tokyo	22/27 16/21	23/27 16/21
Yokohama	22/27 16/21	23/27 16/21

WEEKEND DESTINATIONS

Location	Today	Tomorrow
Algeria	23/27 16/21	23/27 16/21
Amsterdam	18/24 12/15	19/26 13/15
Athens	24/28 12/15	25/27 17/23
Berlin	22/27 16/21	23/27 16/21
Bombay	22/27 16/21	23/27 16/21
Buenos Aires	22/27 16/21	23/27 16/21
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Cardiff	22/27 16/21	23/27 16/21
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Helsinki	22/27 16/21	23/27 16/21
Istanbul	22/27 16/21	23/27 16/21
London	22/27 16/21	23/27 16/21
Madrid	22/27 16/21	23/27 16/21
Moscow	22/27 16/21	23/27 16/21
Mumbai	22/27 16/21	23/27 16/21
Nairobi	22/27 16/21	23/27 16/21
Paris	22/27 16/21	23/27 16/21
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Seoul	22/27 16/21	23/27 16/21
Shanghai	22/27 16/21	23/27 16/21
Singapore	22/27 16/21	23/27 16/21
Taipei	22/27 16/21	23/27 16/21
Tokyo	22/27 16/21	23/27 16/21
Yokohama	22/27 16/21	23/27 16/21

Location	Today	Tomorrow
Bangkok	24/28 12/15	25/27 17/23
Bombay	22/27 16/21	23/27 16/21
Buenos Aires	22/27 16/21	23/27 16/21
Calcutta	22/27 16/21	23/27 16/21
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Singapore	22/27 16/21	23/27 16/21
Taipei	22/27 16/21	23/27 16/21
Tokyo	22/27 16/21	23/27 16/21
Yokohama	22/27 16/21	23/27 16/21

Location	Today	Tomorrow
Buenos Aires	22/27 16/21	23/27 16/21
Calcutta	22/27 16/21	23/27 16/21
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Frankfurt	22/27 16/21	23/